



Daily Report

East Asia

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Japan

Hata To Discuss Nuclear Test Ban, GATT in PRC

OW0501141294 Tokyo KYODO in English 1358 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—Foreign Minister Tsutomu Hata will urge Chinese leaders during his upcoming visit to Beijing to agree to a comprehensive ban on nuclear testing, Foreign Ministry sources said Wednesday [5 January]. The sources said Hata will make the call in his talks on Saturday with Chinese Foreign Minister Qian Qichen. They said Japan wants China to "positively engage" in negotiations expected to get under way this year in Geneva on a comprehensive global ban on nuclear testing.

Despite Qian's call at the UN General Assembly in September for early test ban talks, China on October 5 conducted an underground nuclear test that threatened to unravel a fragile moratorium on testing by other nuclear powers.

Critics said China's move also undermined efforts for a renewal this year of the nuclear Nonproliferation Treaty, as nuclear powers could be seen as practicing a double standard by calling for nonproliferation while continuing nuclear tests. China subsequently pledged, however, to work with other countries to achieve a test ban treaty "no later than 1996."

Hata would also convey Japan's support for China's early entry into the General Agreement on Tariffs and Trade (GATT), the sources said.

Complaint Over Fake U.S. Military Highway Passes

OW0501144994 Tokyo KYODO in English 1428 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—The Defense Facilities Administration agency on Wednesday [5 January] lodged a formal complaint with Tokyo police over the circulation of illegal copies of free highway passes for U.S. military vehicles, police officials said. Metropolitan Police Department officials said they have already launched an investigation into the case, in which a large number of such passes are believed to have been copied and put to use.

The passes for exemption from highway tolls have been issued by the Japanese Government for the past 30 years under an agreement with U.S. military authorities in Japan. Users of the passes simply write down their vehicle number when passing through toll booths and the agency later reimburses highway administrative bodies.

The amount expended by the agency for that purpose amounts to some 600 million yen a year.

According to U.S. military officials, over 900 copied passes have been found at toll booths throughout Japan.

Ministry Official Leaves for Africa, South Asia

OW0501113094 Tokyo KYODO in English 0959 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—Parliamentary Vice Foreign Minister Syozo Azuma left Tokyo Wednesday [5 January] for visits to six African countries and three South Asian nations to promote dialogue with these countries, Foreign Ministry officials said.

Azuma will visit Botswana, Mauritius, Mozambique, Namibia, South Africa, Zimbabwe, India, Nepal and Pakistan before returning to Japan on January 27, the officials said.

Azuma will visit South Africa to learn about the situation there as Japan is considering dispatching election monitors to the country for the first multiracial parliamentary elections scheduled for next April. His visit to the African nations will show Japan's "positive diplomacy" toward the continent following the Tokyo International Conference on African Development in October, the officials said. Japanese UN peacekeepers are currently working in Mozambique.

Azuma is visiting the Indian subcontinent countries to "deepen friendly relations," they said.

Ministry Announces Grant for Thai University

OW0501081194 Tokyo KYODO in English 0731 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—Japan will grant Thailand up to 664 million yen in aid to assist implementing a plan to expand the engineering faculty of a Thai university, the Foreign Ministry said Wednesday [5 January].

Japanese Ambassador to Thailand Hiroaki Fujii and Chinnawut Sunthonsima, Thai minister of the Prime Minister's Office, exchanged documents on the agreement of the aid in Bangkok, the ministry said. The Japanese aid will be provided for Thailand's project to expand the engineering faculty of the Thammasat University, established in 1989, it said.

The Thai plan is aimed at improving the quality of the faculty's education and research and to raise capable researchers to cope with advancing manufacturing technique, it said. Thailand had requested Japan to provide education and research equipment necessary to carry out the plan, the ministry said.

Economic Cooperation in Russian Far East Viewed

942A0028A Tokyo GEKKAN KEIDANREN in Japanese Sep 93 pp 26-27

[Article by Susumu Yoshida, managing director, Nissho Iwai: "Economic Cooperation and Characteristics of Russian Far East; Resources and Industries of Far Eastern Region"]

[Text] The area of Russia's Far East region is 16 times that of Japan and its population is 8 million, so its population density is 1.3 per square kilometer.

The Russian Far East is made up of seven administrative units, such as the Maritime Kray, the Sakhalin Oblast, Khabarovsk Kray, and the Sakha Republic.

In this region are such resources as rich timber (30 percent of the total for the former Soviet Union), aquatic products (40 percent), diamonds (98 percent), gold (50 percent), and tin (80 percent).

In terms of industrial structure, lumbering, nonferrous metals, and fisheries make up 50 percent of the extractive and manufacturing industries. Its secondary industries lag markedly, with 80 percent of consumer goods and 50 percent of the food brought in from other areas.

Efforts were made to develop defense industries in the 1930's; and the city of Komsomolsk-na-Amure became a center for steel, petroleum refining, shipbuilding and aircraft industries. Vladivostok provided supplies and repair as a base for the Pacific Fleet.

Far Eastern Area in Era of Reform

In a speech in Vladivostok in July 1986, Secretary General Gorbachev stressed that economic development of the Far Eastern region was inseparable from the strengthening of economic cooperation and trade relations with Asian nations.

Keenly sensing that if carrying out the "Program for Far East Regional Development by 2000" (August 1987) were to end in failure each region, would require economic self-reliance, Nakhodka, Sakhalin, and Vladivostok applied to the union in 1988-91 for conversion into free-economy zones. The Yakutia, Kamchatka, Sakhalin, and Maritime regions are proclaiming sovereignty over management and utilization of resources within their areas. Also, in August 1990 they set up a Far East Economic Association, taking up such matters common to each state as energy, foodstuffs, construction, transportation, and military-to-civilian conversion, and they plan to pull together. One of this association's achievements was drawing up the May 1991 "Concept for Solving the Far East Region's Crisis and Economic Development by 2000"; but due to the coup of August 1991 and the breakup of the Soviet Union in December that year, they did not get so far as to draw up an action program.

After that, based on a September 1992 presidential decree, they deliberated on the "Far East development program" in light of Russian and Far East conditions; and there are moves to try to draw up the policies.

Economic Cooperation in the Far East

What actions might be needed for now to bring about further development of economic cooperation?

1. Expansion of Trade Deals

With trade between Japan and Russia totaling \$3.48 billion in 1992, it has fallen to 57 percent of its peak. Likewise, imports also were down 26 percent to \$2.5 billion; but a majority of that was foodstuffs, lumber, coal, etc., for which the Far East is a producing area. Hence, the Russian Far East is unchanged in being a supplier of raw materials. As disruptions in the economic system are causing the import reductions, considerable recovery of trade volume is possible by bringing about quality guarantees and strict observance of delivery dates (normalization of rail transport and port operations).

2. Effective Use of G-7 Economic Aid

Aid totaling \$43.4 billion was set for 1993; but it is necessary to place all possible emphasis on the Far East for the portion that is bilateral aid, to quickly set up also the Far East region's receiving facilities and to put into effect an aid program for shifting to a market economy.

3. Assistance for Preparing Infrastructure

With the collapse of the Soviet Union, Russia lost 60 percent of the port facilities, making the bolstering of its Far East harbors an urgent task. Also called for are double-tracking of Amur River bridges which are a bottleneck to Siberian rail transport, electrification of some rail lines, and adding to and rebuilding power generation facilities so as to improve the energy balance. Since these items will be the basis for future development of the Far East, is not the time upon us when we must consider the methods for cooperation between Japan and Russia?

4. Resource Development Projects

"Siberian development" in the 1970's gave birth to an era of Japan-Soviet cooperation centering on coal, lumber, and harbors; and pushed Japan-Soviet trade up sixfold over a 10-year period. Areas for cooperation henceforth may center on energy, especially oil and gas. For the present, it is important to continue the forestry development and Sakhalin continental shelf gas and oil exploitation projects that are ongoing and to get them on track.

Also, the Republic of Korea is considering development of Yakutia gas by tying up with the Sakha Republic, and it has particulars from joint Japan-U.S.-Soviet investigations conducted in the 1970's. Furthermore, since Yakutia gas also is positioned to be a major source in

Russia's own Far East energy development plan (the Vostok plan), the chances are high of its becoming a project for multinational cooperation.

For other subsurface resources as well, the exploitation of such metals as gold, tin, and lead, construction of iron mills due to development of Aldan iron ore and copper smelters due to development of the Udokan copper mines (Chita region), etc., may become objects for study as future projects.

Pressing To Improve Japan-Russia relations

As discussed above, there are any number of subject areas for economic cooperation in Russia's Far East. The premises for that are Russia's political and economic stabilization and clarifying the authority of the center and local regions; but resolution of the territories problem—a longstanding issue between Japan and Russia, establishing neighborly relations by concluding a peace treaty and resolving these by organically linking them with economic cooperation are to be hoped for.

The cold war structure having collapsed, a situation has emerged in which Japan, as one of the G-7 nations, will take on a major role in aiding Russia. Russia's Far East has made requests to the center for assistance; but those have not been met. There has never been a time like the present when "new thinking" has been so required of both Japan and Russia.

Diet Panel Resumes Debate on Reform Bills

OW0501040494 Tokyo KYODO in English 0257 GMT 5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—The House of Councilors' special committee on political reform resumed debates Wednesday [5 January] morning on four government-proposed political reform bills with the opposition Liberal Democratic Party (LDP) boycotting the session. In a meeting of committee managers earlier in the day the LDP demanded that the resumption of debates be postponed until Thursday, parliamentary sources said. The ruling seven-party coalition rejected the LDP's request and started debates at 11:40 A.M.

The special committee entered a year-end and New Year recess on December 28. The ruling coalition decided Tuesday to complete debate on political reform at the special committee by January 14 even if the LDP boycotts the session. The government reform package was passed by the House of Representatives on November 18 but deliberations in the upper house stalled for over a month through late December due partly to the resistance of the LDP.

Prime Minister Morihiro Hosokawa has staked his political future on enactment of the reform package in the current Diet session, which ends January 29.

Meanwhile, Ichiro Ozawa, a chief coalition strategist, told a meeting of the executives of Shinseito [Japan

Renewal Party], of which he is co-leader, that the coalition should seek to push the package through the upper house "by January 20, even if its passage were delayed."

"If parliamentary proceedings went without hindrance, we would be able to secure its passage through the House of Councillors plenary session on January 17," he said.

"The most serious point would come on the 20th if its passage were delayed," said Ozawa, who is widely regarded as the most powerful behind-the-scenes figure in Hosokawa's coalition government. Ozawa also said the coalition would have no alternative but to table yet another pump-priming supplementary budget bill to a regular Diet session that will convene on January 31.

"We should place priority on pushing the political reform bills through the Diet," he said. "If we were left with one week's time after the prospective passage, it might be physically sufficient to hold parliamentary deliberations for passing the supplementary budget bill," he said.

Ozawa hinted, however, it might take more than a week to hammer out necessary political compromises with the LDP over the budgetary bill, saying it would be difficult to pass it in a week, from a commonsense point of view.

LDP Agrees To Suspend Debate Boycott

OW0501144194 Tokyo KYODO in English 1430 GMT 5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—The opposition Liberal Democratic Party [LDP] agreed Wednesday [5 January] to temporarily end its boycott of parliamentary debate on a government-proposed package of political reform bills, LDP officials said. The LDP boycott earlier forced the ruling coalition to deliberate on the package in the absence of the largest opposition force in a Diet session that reconvened the same day.

As a result of the LDP concession, legislators from the LDP, the Japanese Communist Party [JCP] and the Niin Club parliamentary group will question Prime Minister Morihiro Hosokawa and other ministers in Thursday's session, the officials said. However, the LDP and ruling coalition partners failed to hammer out an accord on the parliamentary agenda for Friday and thereafter, they said.

Meanwhile, the coalition decided to hold mandatory parliamentary hearings of a selected group of political scientists and citizens on the package on January 12, coalition officials said. Such hearings are mandatory procedures that have to be followed before a vote on the package.

A standoff between the coalition and opposition, which has been demanding major modifications to the package, will be inevitable if the coalition proceeds with the hearings, LDP and coalition officials agreed.

The ruling coalition earlier agreed to modify a proposed legal requirement that the Diet refuse to allocate House of Representatives seats to miniparties that failed to collect 3 percent of valid votes cast at the most recent national election, coalition officials said.

The agreement came at a meeting of the executives of seven coalition partners at the coalition's political reform headquarters, the officials said.

Both LDP and JCP have been demanding that the controversial provision be removed from the package of four political and electoral reform bills.

The electoral bill calls for replacing the current 511-seat lower chamber with a mixture of 274 single-seat constituencies and proportional representation system, under which an additional 226 seats would be distributed on a nationwide basis.

The so-called "3-percent requirement" would oblige the Diet to deny miniparties that failed to win 3 percent of eligible votes any seats that would be appropriated to bigger parties that met the requirement in proportion to the number of votes they had mustered in single-seat constituencies.

The provision also means that unless a party has the record of winning 3 percent of votes in the most recent national election, it is not qualified to receive an official subsidy to finance its political activities from a newly created fund of 30.9 billion yen.

The LDP and JCP have argued that such a provision would undermine the Diet's ability to translate into national policies the desires of voters who placed their trust in miniparties that failed to garner 3 percent of eligible votes.

Yamahana told the House of Councillors' special committee on political reform, "The most crucial thing is to legislate the package. We will do our utmost by responding sufficiently to arguments between the ruling coalition and opposition camp."

The committee kicked off the new year's first deliberations Wednesday after an eight-day recess, but the No. 1 opposition Liberal Democratic Party (LDP) boycotted the session.

In a meeting of committee managers earlier in the day, the LDP demanded that the resumption of debates be postponed until Thursday, parliamentary sources said.

Prime minister told the committee session that reconvened in the morning the LDP's boycott is "very regrettable."

"It is our heavy responsibility to settle the political reform matter in order to revive public trust in politics," he said.

The ruling coalition decided Tuesday to complete debate on political reform at the upper house committee "by

January 14" even if the LDP continued to boycott the committee sessions, coalition officials said.

The package cleared the House of Representatives on November 18, but deliberations had stalled since then due to a parliamentary row over the opening of Japan's rice market and a payoff scandal involving Hosokawa.

Government, Coalition To Resume Tax Debate 6 Jan

OW0501064894 Tokyo KYODO in English 0612 GMT 5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—Cabinet ministers in charge of economic affairs and representatives of ruling coalition parties will meet on Thursday [6 January] to continue debate on income tax cuts and other economic issues, a government spokesman said Wednesday. Leaders of the government and the seven coalition parties reached the decision to hold the fourth meeting of an economic forum of the government and the coalition, Deputy Chief Cabinet Secretary Yukio Hatoyama said at a news conference.

The meeting was originally set for Wednesday morning but was called off after the representatives of the coalition agreed on the need for further discussion on proposed income tax cuts and an alternative tax revenue among themselves.

At Wednesday's meeting of the leaders of the government and the ruling parties, Foreign Minister Tsutomu Hata proposed resuming the talks on tax as early as possible to help facilitate the formulation of the fiscal 1994 national budget, Hatoyama said.

All the others present agreed to reopen the meeting of the economic committee to continue debate on how to finance anticipated income tax reduction, on which the coalition parties are split, according to the deputy chief cabinet secretary.

Hata, who doubles as deputy prime minister, heads the economic forum of the government and the coalition parties.

The panel, formed on the orders of Prime Minister Morihiro Hosokawa, met three times in late December.

Coalition To Amend Provision on Miniparties

OW0501121994 Tokyo KYODO in English 1203 GMT 5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—The ruling coalition agreed Wednesday [5 January] to modify a proposed legal requirement that the Diet refuse to allocate House of Representatives seats to miniparties that failed to muster 3 percent of valid votes cast at the most recent national election, coalition officials said. The agreement came at a meeting of the executives of seven coalition partners at the coalition's political reform headquarters, the officials said.

Both the Liberal Democratic Party [LDP] and the Japanese Communist Party [JCP] have been demanding that the controversial provision be removed from a government-proposed package of four political and electoral reform bills.

The electoral bill calls for replacing the current 511-member lower chamber with a 500-seat mixture of 274 single-seat constituencies and proportional representation system with an additional 226 seats distributed on a nationwide basis.

The so-called "3-percent requirement" would oblige the Diet to deny miniparties that failed to win 3 percent of eligible votes any seats that would be appropriated to bigger parties that met the requirement in proportion to the number of votes they had mustered in single-seat constituencies. The provision also means that unless a party has the record of winning 3 percent of votes in the most recent national election, it is not qualified to receive an official subsidy to finance its political activities from a proposed fund of 30.9 billion yen.

Earlier in the day, Sadao Yamahana, minister in charge of political reform, first dropped the hint that the coalition may accept an opposition demand to soften the 3 percent requirement.

The LDP and JCP have argued that such a provision would undermine the diet's ability to translate into national policies the desires of voters who placed their trust in miniparties that failed to garner 3 percent of eligible votes.

Yamahana told the House of Councillors' special committee on political reform, "The most crucial thing is to legislate the package. We will do our utmost by responding sufficiently to arguments between the ruling coalition and opposition camp."

The committee kicked off the new year's first deliberations after an eight-day recess, but the No. 1 opposition Liberal Democratic Party (LDP) boycotted the session. In a meeting of committee managers earlier in the day, the LDP demanded that the resumption of debates be postponed until Thursday, parliamentary sources said.

Prime Minister Morihiro Hosokawa told the committee session that reconvened in the morning the LDP's boycott is "very regrettable."

"It is our heavy responsibility to settle the political reform matter in order to revive public trust in politics," he said.

The ruling coalition decided Tuesday to complete debate on political reform at the committee "by January 14" even if the LDP continued to boycott the committee sessions, coalition officials said.

The package cleared the House of Representatives on November 18, but deliberations had stalled since then due to a parliamentary row over the opening of Japan's rice market and a payoff scandal involving Hosokawa.

The LDP has alleged Hosokawa took a 100 million yen unreported payoff from the scandal-ridden Sagawa Kyubin trucking firm. Hosokawa dismissed the allegation, saying it was a mere "loan" he claimed he had repaid.

Hosokawa has staked his political career on enactment of the reform package in the current Diet session, due to end January 29.

Meanwhile, Ichiro Ozawa, a chief coalition strategist, told a meeting of the executives of Shinseito, of which he is co-leader, that the coalition should seek to push the package through the upper house "by January 20, even if its passage were delayed."

"If parliamentary proceedings went without hindrance, we would be able to secure its passage through the House of Councillors plenary session on January 17," he said.

"The most serious point would come on January 20 if its passage were delayed," said Ozawa, who is widely regarded as the most powerful behind-the-scenes figure in Hosokawa's coalition government.

Business Leaders Warn Against Dissolving Diet

*OW0501122494 Tokyo KYODO in English 1209 GMT
5 Jan 94*

[Text] Tokyo, Jan. 5 KYODO—Japan's top four business leaders on Wednesday [5 January] warned against an early Diet dissolution as it could damage administration of economic affairs, including the compilation of a fiscal 1994 government budget. In a joint new year press conference, the business leaders stressed the need to pump-prime the economy by an income tax cut, and pass political reforms bill by the end of the current Diet session January 29. They said the tax cut could be financed by "bridge" deficit-financing bonds.

Masaru Hayami, chairman of the Japan Association of Corporate Executives, said if the House of Representatives was dissolved this month it would have a large negative impact on the economy.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), called for steady implementation of reforms in all areas—political, economic, and administrative.

Such support for Prime Minister Morihiro Hosokawa's government reflects fears that political turmoil could further damage the economy, which is still in recession, political analysts say. But it would also be a blow to the opposition Liberal Democratic Party, they say, and the divide between businesses and the former ruling party could widen.

As to the pending issue of a consumption tax hike to finance a cut in personal income taxes, Hiraiwa merely

said it is a "future issue," while Takeshi Nagano, president of the Japan Federation of Employers' Associations, said it should be considered "after business conditions recover."

Both Hayami and Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, expressed similar views.

Referring to the recent recovery of the dollar against the yen above the 113 yen line, Hiraiwa said the currency is still too low and Japanese companies will be happy if it rises to around 120 yen.

Hayami, however, said he would like to see the dollar stabilize somewhere at the 110 yen level.

Nagano said that this year industry should place a priority on ensuring employments rather than wage raises, which he said are quite difficult for the corporate management to offer.

Communist Legislator Accuses Hosokawa of Bribery

OW0501140694 Tokyo KYODO in English 1345 GMT 5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—A Diet member accused Prime Minister Morihiro Hosokawa on Wednesday [5 January] of spending the 100 million yen he accepted in 1982 from the scandal-ridden Sagawa Kyubin trucking group to bribe his way into the governorship of Kumamoto Prefecture.

Japanese Communist Party legislator Masaharu Udo said former aides of the prime minister have told him that Hosokawa bribed Kumamoto prefectural assembly legislators from the Liberal Democratic Party [LDP] with the Sagawa money to secure LDP endorsement of his candidacy for the governorship. He made the accusation at a question and answer session of the House of Councillors' special committee on political reform which resumed debate after an eight-day recess.

Udo quoted one of Hosokawa's election campaign managers as stating Hosokawa used the money he accepted from Sagawa to bribe prefectural assembly legislators to secure LDP endorsement of his candidacy. He said his investigation showed that the 100 million yen was handed over to Hosokawa "in three installments" from October to December of 1982, when a few politicians were vying with each other to get LDP support. Hosokawa won the party's endorsement and went on to secure the governorship.

In reply, Hosokawa denied the allegations, saying the loan had nothing to do with his political activities related to the gubernatorial election.

In Japanese gubernatorial elections, candidates often have to grease the palms of LDP prefectural assembly legislators to win the local chapter's recommendation as an LDP candidate.

The LDP's Tokyo headquarters often approves the local chapter's recommendation. An LDP endorsement is considered crucial in winning over conservative voters used to perceiving the LDP as the most reliable provider of stability and pork barrel projects.

Hosokawa earlier acknowledged that he had borrowed 100 million yen from Kiyoshi Sagawa, then chairman of the Sagawa Kyubin trucking conglomerate, but said he had already repaid the loan.

Udo renewed the opposition camp's demand that the ruling coalition allow the Diet to question Sagawa and Hosokawa's former political secretary Masatoshi Miyama by having them testify as sworn witnesses.

Hosokawa has said he is not aware of the details of the deal, as it was handled by Miyama who was his secretary when he was a House of Councillors legislator in the LDP faction led by the late ex-premier Kakuei Tanaka.

Udo questioned the truthfulness of Hosokawa's explanation that he borrowed the Sagawa money in October 1982, to buy a Tokyo condominium and fix the front gate and earthen wall of his spacious residence in Kumamoto.

The legislator said such an explanation is irrational because evidence shows that Hosokawa bought the condominium three months before the loan and fixed the gate and wall long after receiving it.

The long time lag between the loan and the repair is "irrational in view of the fact that Hosokawa would have had to pay interest of 1.8 million yen on the loan annually (if it were a loan)," he said.

Hosokawa replied, "I borrowed the money one year before the gubernatorial election, so it has nothing to do with the election."

Probe Claims Former Governor Kept Secret Fund

OW0501125694 Tokyo KYODO in English 1201 GMT 5 Jan 94

[Text] Sendai, Jan. 5 KYODO—Miyagi Governor Shuntaro Honma had kept a covert 10 million yen fund at his disposal prior to his arrest and indictment last year, according to an internal probe by the Miyagi prefectural government. Honma resigned as governor in early October in connection with a bribery scandal.

Vice Governor Ryoichi Kabaya said the cash was kept in the prefectural government's secretarial section. The investigation revealed that Governor Honma allegedly approached Seiki Sugawara, deputy chief of the commerce, industry and labor division, in April 1992 and asked for fat expense accounts.

Sugawara promptly started securing a total of 4 million yen by writing false business travel reports by the time of the February 1993 gubernatorial election, prefectural government officials said.

In addition, they said, another 6 million yen was withdrawn as money gifts and wedding and condolence money from the governor's annual official expense account of 17 million yen.

Vice Governor Kabaya said the retrieved 10 million yen will be turned over to the Miyagi government as revenue under its fiscal 1993 budget.

Incumbent Governor Shiro Asano expressed shock at the results of the in-house investigation and vowed to set up a system to prevent a repeat of such a bogus expense account scheme.

Honma resigned as governor in October last year after his arrest in late September. He was indicted October 18 on charges of taking a 20 million yen bribe from Taisei Corp., a major Japanese construction company, in connection with a prefectural project to build a cancer center. He was also indicted again on December 1 on charges of receiving a 100 million yen bribe from the de facto owner of Japan's No. 3 paper manufacturer, Daishowa Paper Manufacturing Co.

Government Said To Want Dollar at 115 Yen

*OW0501022794 Tokyo KYODO in English 0208 GMT
5 Jan 94*

[Text] Tokyo, Jan. 5 KYODO—A Japanese Government source said Wednesday [5 January] he hopes to see the dollar gain further ground to around 115 yen in foreign exchange dealings. The source also said a weaker yen would have a "favorable impact" on the domestic economy.

In Tokyo, the dollar was trading at 113.23 yen at 10:30 A.M., down 0.04 yen from the previous day's close of 113.27 yen, but up 0.67 yen from its opening rate of 112.56 yen. The dollar's fall at the outset of trading reflected growing concern over its rapid rise against the yen in recent trading and profit-taking selling, traders said.

Many dealers believe, however, that the U.S. currency will resume its upward pace against the yen in view of a wide gap of economic fundamentals between Japan and the United States.

The source said, "I hope to see the dollar appreciate to about 115 yen as soon as possible."

"I suppose steelmakers are pleased (with the dollar's rise). They would be at a loss if the dollar fell below 110 yen," the source said.

The government source's remarks sparked renewed buying of dollars in interbank Tokyo trading Wednesday morning.

A dealer at a major commercial bank said, "The dollar will gain upward momentum to break through the 115 yen line if the U.S. monetary authorities clarify their stance of tolerating a weaker yen."

Ministry: Government May Attain Revenue Target

*OW0501110094 Tokyo KYODO in English 1031 GMT
5 Jan 94*

[Text] Tokyo, Jan. 5 KYODO—The government's tax revenues in November declined 3.0 percent from the year before to 6,838 billion yen, the Finance Ministry reported Wednesday [5 January]. The ministry said the November figure brought the total income for the April-November period to 27,671 billion yen, up 2.4 percent, a rate of growth that could make it possible for the government to attain the revised revenue target of 55.68 trillion yen for the current fiscal year.

In November, corporate tax revenues plunged 13.6 percent to 3,112.9 billion yen, while revenues from the liquor tax dipped 1.5 percent to 154.5 billion yen, the ministry said.

Income tax revenues gained 5.5 percent to 1,828.8 billion yen while those from the inheritance tax soared 96.4 percent to 215.4 billion yen, it said.

The consumption tax revenue gained 7.4 percent to 926.9 billion yen while revenues from securities transactions surged 61.1 percent to 34.3 billion yen in reaction to a decline in the previous year, the ministry said.

Expenditures Outpace Revenues for Apr-Dec

*OW0501121894 Tokyo KYODO in English 1146 GMT
5 Jan 94*

[Text] Tokyo, Jan. 5 KYODO—The government's expenditures topped income by 6,383.3 billion yen for the April-December period of last year due largely to an increase in public works projects, coupled with dwindling tax revenues, the Finance Ministry reported Wednesday [5 January].

The ministry said the net flow of money from the government's coffers into the private sector was the second largest on record next to about 7.4 trillion yen recorded in the same period of 1981. Its announcement was based on the balance of receipts and payments of treasury funds with the private sector.

On the general account, tax revenues during the period decreased by 2,821.2 billion yen from the like period last year while expenditures for public works projects increased 534.2 billion yen.

Social insurance spending also climbed by 220.7 billion yen, it said.

Outside the general account, an increase in housing loans and massive dollar buying by the Bank of Japan to prevent the yen's appreciation helped boost the net outflow of fiscal funds.

Foreign Reserves Reach \$95.59 Billion in Dec

OW0501090394 Tokyo KYODO in English 0826 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—Japan's foreign exchange reserves were up 172 million dollars in December from the preceding month, totaling 95.59 billion dollars, the Finance Ministry said Wednesday [5 January]. The rise follows November's increase of 195 million dollars from October. As a matter of policy, Finance Ministry officials do not provide detailed reasons for changes in the nation's foreign exchange reserves.

Foreign exchange reserves consist of foreign currencies, gold, and Special Drawing Rights (SDRs) at the International Monetary Fund.

According to the latest monthly data available, Japan appears to have kept its position as the largest foreign exchange holder as its reserves were 95.2 billion dollars at the end of October.

Taiwan came second with 85.6 billion dollars, followed by Germany with 82.2 billion dollars and the United States with 77.8 billion dollars. Statistics for Taiwan were those at the end of September.

In 1993 as a whole, the nation's foreign exchange reserves increased by 26.9 billion dollars, the first increase in five years and the second largest annual increase following the 39.2 billion dollar rise in 1987.

During the year, the dollar traded in Tokyo in a range between 100.40 yen and 125.95 yen as the yen picked up upward momentum last summer to prompt the Bank of Japan to buy dollars for yen to stem the yen's upswing.

The central bank's dollar-buying intervention serves to push up foreign exchange reserves, although monetary authorities usually do not confirm such intervention.

Auto Association Reports 6-Year Low in Sales

OW0501090494 Tokyo KYODO in English 0814 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—Reflecting the prolonged recession, domestic auto sales in 1993 dropped from the year-before level for the third straight year to hit a six-year low, an industry association said Wednesday [5 January].

The Japan Automobile Dealers Association said sales of cars, trucks and buses, excluding minivehicles, totaled 4,887,179 vehicles, down 8.4 percent from the previous year. The figure was the lowest since 1987 when sales totaled about 4,344,000 vehicles, the association said. Sales declined in all categories for the first time since 1980, underscoring the severity of the automobile market slump, association officials said. They said there is little possibility of market recovery at least until March, with expected sales for 1994 inching up to around 5 million vehicles.

Of the 1993 total, passenger cars accounted for 3,427,088 vehicles, down 6.9 percent, posting the third straight year-to-year fall, the association said.

It said sales of cars with engine capacity of over 2 liters dipped 4.2 percent from the year before to 683,763 while those of subcompact cars fell 7.5 percent to 2,743,325.

The association said sales of trucks were down 11.7 percent at 1,632,376 while those of buses totaled 19,025, down 11.8 percent.

Imported car sales grew 9.1 percent to 201,484 vehicles, the association said. Among 11 major automakers, only three—Daihatsu Motor Co., Suzuki Motor Corp. and Fuji Heavy Industries Ltd.—posted sales growth, the association said.

Industry leader Toyota Motor Corp. suffered a 7.7 percent drop in sales while sales of Nissan Motor Co., Mazda Motor Corp. and Honda Motor Co. declined 8.4 percent, 16.8 percent and 14.9 percent, respectively. Mitsubishi Motors Corp.'s sales also declined 7.2 percent.

In December, the association said, sales totaled 345,715 vehicles, down 11.1 percent from the year before and down 13.8 percent from the preceding month. It was the ninth straight month that sales dropped from the year-before levels, the association said.

Sales of passenger cars slumped 9.3 percent to 251,451 while those of trucks and buses were down 15.6 percent and 12.3 percent, respectively, at 93,354 and 910, [as received] it said.

Underground Expressway Planned for Tokyo

OW0501091494 Tokyo KYODO in English 0844 GMT
5 Jan 94

[Text] Tokyo, Jan. 5 KYODO—A huge new underground expressway passing through such business and shopping quarters as Ikebukuro, Shinjuku and Shibuya in central Tokyo will be built within the century, officials said Wednesday [5 January]. Officials of the Metropolitan Expressway Public Corp. said the 11-kilometer tunnel project, which will begin in 1995, is aimed at easing traffic congestion in central Tokyo.

This is expected to become a very hard construction project as the heavily populated area is patchworked with gas and water lines, not to mention rivers and underground railways. The total cost of the project has been put at some 840 billion yen.

About half that amount is to be used for the purchase of private land, since property rights extend below the surface of the land. But so far the public corporation has only managed to buy up a fourth of the needed land.

The tunnel will be a spacious 40 meters wide and accommodate the latest fire prevention and antipollution technology.

Tokyo To Reduce Ground Forces Beginning in 1996

OW0301031494 Tokyo KYODO in English 0218 GMT
3 Jan 94

[Text] Tokyo, Jan. 3 KYODO—The Ground Staff Office of the Ground Self-Defense Force (GSDF) plans to gradually reduce the number of regional bases by 61 to 99 from 1996 as a result of international situations in the post-Cold War era, the mass-circulation YOMIURI SHIMBUN said Monday. The GSDF's plan is in line with an ongoing review by the Defense Agency of the national defense program outline, which was drawn up in 1976 under the Cold War confrontation, according to the YOMIURI.

In the review of the outline defining the nation's basic defense policies, the agency is considering slashing the GSDF's personnel from the current number of 180,000 to less than 150,000.

Under the GSDF's plan, the bases in the Northern District Army stationed in Hokkaido, Japan's northernmost main island, would be cut by 12 to 26, the daily said.

In accordance with reducing the number of the bases in Hokkaido, the divisions under the command of the Northern District Army would be also decreased to three from four.

The Northern District Army currently has the largest number of divisions among the GSDF's five district armies to address "the threat from the North," which implies a possible military attack by the former Soviet Union.

North Korea

Kim Yong-sam's New Year Remarks 'Foolish Outcry'

SK0501045494 Pyongyang KCNA in English 0431
GMT 5 Jan 94

["Foolish Jargon of the Doomed"—KCNA headline]

[Text] Pyongyang, January 5 (KCNA)—NODONG SINMUN today comments on the trash spun out by Kim Yong-sam the traitor on the New Year. Drivelling about "larger reforms", he blared that he would make the New Year a "year of liquidating the corruption and building a clean society" and charged the North with "suspected nuclear development".

Dismissing his remarks as a foolish outcry of a doomed mortal forsaken by the times and the people, the news analyst says:

The "reforms" launched by the puppets are intended to build up their "pro-government system" and consolidate the foundation of their rule. What the "reforms" brought

to the South Korean people is, in fact, bloody sword brandishing and chronicle poverty.

Now the South Korean people are waging an anti-"government" struggle, saying that there is no need to watch the Kim Yong-sam "regime" under the "civilian" veil any longer and they have nothing to expect from it and that there is no alternative but to overthrow it.

Such being the situation, who would believe the advertisement about "larger reforms".

The traitor Kim Yong-sam's provocation against the North over its "suspected nuclear development" is an act of one who has lost a normal mode of thinking. It is needless to say that the traitor is behaving recklessly, bereft of reason, urged by the sinister intention to put a brake on the DPRK-U.S. talks at any cost and stifle fellow countrymen through an "international cooperation system", vexed at the progress of the talks.

The traitor Kim Yong-sam had better act with discretion, mindful that his treacherous utterances at the beginning of the year will only lead him more quickly to his grave.

Radio Carries Commentary on Address

SK0501013394 Pyongyang Korean Central
Broadcasting Network in Korean 1154 GMT 4 Jan 94

[Commentary by Yun Pyong-son: "Traitor's New Year Gibberish"]

[Text] The crow, cawing twelve times, can only utter caw, so the saying goes. This means that one who is a bad man by nature can only say bad things. This was the case with the puppet traitor Kim Yong-sam when he made a so-called New Year's address. In making silly gibberish, he raved that the new year should be made a year for eliminating still-remaining irregularities and corruption and making a new, clean society. In other words, he intends to continue with the reform game. This is really dumbfounding.

Since traitor Kim Yong-sam came to power wearing a mask of a civilian regime, the wind of reform has blown frantically in South Korea for nearly a year. However, the result has been horrible. To conduct a real reform in the colonial fascist South Korean society, they should realize that the people aspire for independence and democratization in the first place. To eliminate corruption and irregularities, they should take practical measures to preclude illegal amassment of wealth in the first place. They should distinguish themselves clearly from their preceding military fascist regimes, and rectify the wrongs of the past.

However, the puppet clique, instead of implementing a reform aimed at freeing itself from the domination of a foreign force, left South Korea totally under the domination of a foreign force. Furthermore, the puppet clique raved that the foreign force should dominate the Korean peninsula after the reunification, as well. Since it came to

power, the puppet clique has kept intact the fascist evil laws, such as the National Security Law, and the suppressive organizations, such as the Agency for National Security Planning, the police, and the prosecutor's office. Further strengthening their function and authority, the puppet clique is stepping up the degree of suppression on the people.

The Kim Yong-sam clique, which had raved about departing from his preceding dictatorial regimes, pardoned the murderers of Kwangju, babbling that it could not jeopardize the future simply because it had a bad sentiment of the past event. While raving that it would root out irregularities, it purged its rival forces and was bent on strengthening its basis for power.

The aftermath of the implementation of the real-name financial transaction system, which the Kim Yong-sam clique claimed to be the reform of reforms, brought about further bankruptcy and a decline in the economy. Agriculture ended up with a bad crop, the worst in 80 years, shrinking the rice harvest by over 10 million sacks compared with the volume originally anticipated.

The stern reality of South Korea for nearly a one-year period, last year, clearly showed that the reform, which the Kim Yong-sam puppet clique publicized so loudly, was not reform for the better but reform for the worse. The falsity of the so-called reform has been exposed thoroughly. There is nothing the workers, the peasants, and the popular masses gained from it. Nevertheless, traitor Kim Yong-sam made a gibberish about reform again. This is a deception and mockery of the South Korean people once again.

More intolerable is the fact that he, in a so-called New Year's address, criticized us, saying that the suspicion of the North's nuclear weapons development should be resolved.

As has been reported, in the recent contact, the DPRK and the United States removed a series of (?obstacles), which had brought the DPRK-U.S. talks into a stalemate, displaying the spirit of understanding and cooperation toward each other, thus bringing forth a breakthrough for the progress of the talks. At a time like this, traitor Kim Yong-sam made a presumptuous blunder of criticizing us. This reveals his vicious scheme to step up the slanderous maneuvers to harm the fellow countrymen in the new year under the pretext of the suspicion of our fictitious nuclear program.

He raved about the suspicion of our nuclear program as soon as the new year began, out of fear that the U.S. promise to maintain the international cooperation system it gave him during his junket to the United States last November in return for the total opening of the South Korean rice market may come to naught. It is presumptuous and indiscreet of him, the puppet clique without any real power or voice, to babble about the issue that is to be resolved between the DPRK and the United States.

Delivering a so-called New Year's address, he was not able to say anything new but repeated the old tune. This is far from surprising. Traitor Kim Yong-sam is a completely ignorant man without any independent opinion or political philosophy, a politico in whose belly there is only the greed for power, and a dirty man.

The South Korean people are well aware that no matter what traitor Kim Yong-sam raves about doing something in the new year, they have nothing to expect from it. They, therefore, are determined to fight against the clique to the end. The Kim Yong-sam clique, the flunkeyist traitor who turned against the country and the nation, will not be able to escape from the stern judgment of history and the people.

ROK Defense Minister's Remarks Denounced

*SK0501005794 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 4 Jan 94*

[Text] The South Korean puppet clique is frantically trying to stir up a war mood [chonjaengyorul kochwihanunde hyorani toego issumnida] that extremely strains the situation of the Korean peninsula in the beginning of the year. According to reports, during the so-called ceremony for the commencement of the work for this year held on 3 January, the South Korean puppet Defense Minister Yi Pyong-tae said the Army, Navy, and Air Force should also maintain a strong combat posture in the new year.

On the same day, Yi Yang-ho, chairman of the joint Chiefs of Staff, also made bellicose remarks that the military posture should be rounded off to cope with the North's threat of war, that a posture of prompt counter-action should be established, and the like.

The belligerent remarks of the puppet military leaders [koeroe kunbu udumoridul] in the beginning of the year plainly revealed their scheme of armed confrontation with us [urirul pandaehanun muryok taegyol kido], and they are an intolerable grave challenge to the fellow countrymen who aspire to peace and reunification of the country. This shows that though they are apparently talking about dialogue and the exchange of envoys, the South Korean puppets actually hindered them and are only pursuing North-South confrontation.

If the South Korean puppets dare to provoke us, we will definitely [kyoltanko] control the fire with fire and give a strict punishment [tanhohan chingbol] to the provokers.

SKNDF Issues Communique on Committee Meeting

*SK0501052794 Pyongyang KCNA in English 0426
GMT 5 Jan 94*

[Text] Pyongyang, January 5 (KCNA)—Radio Voice of National Salvation in Seoul aired a communique on an

enlarged meeting of the standing committee of the Central Committee of the South Korean National Democratic Front [SKNDF] (Hanminjon).

"On immediate tasks of the democratic camp of the nation to develop movement for independence, democracy and reunification" and "on significantly celebrating the 25th founding anniversary of Hanminjon" were discussed at the meeting which was held in Seoul on January 2, according to the communique.

The meeting, basing itself on an analysis, noted that the New Year's political situation is mainly characterized by the crisis of the colonial rule of the U.S. imperialists which is growing all the more serious with the "civilian" veil of treacherous Kim Yong-sam "regime" completely taken off and urged the democratic patriotic forces to fight more courageously, full of confidence and optimism.

It was noted at the meeting that 1994 is a momentous year in which a new horizon should be opened for independence, democracy and reunification by installing a springboard for a decisive victory in confrontation with the colonial fascist forces.

It was unanimously stressed that the democratic patriotic forces should turn out in a valiant struggle to overthrow the Kim Yong-sam "government".

The meeting fully supported the New Year address of the great leader President Kim Il-song which brightly illuminates the road of national reunification in the New Year.

The meeting expressed the will to model the ranks of Hanminjon on the *chuche* idea and awaken and organize the masses at an accelerated pace and achieve a new turnaround in the national democratic movement in this meaningful year in which falls the 25th founding anniversary of Hanminjon.

The meeting deliberated on and adopted "declaration on the situation" and "immediate fighting slogans", documents of the Central Committee of Hanminjon, and adopted a resolution on significantly greeting the 25th birthday of Hanminjon.

The "immediate fighting slogans" reflecting the demands of the situation and will of the masses include calls for overthrowing the treacherous fascist "government" of Kim Yong-sam, achieving national independence and developing the mass movement for independence, democracy and reunification.

Vows To 'Overthrow' Kim Yong-sam

SK0501104694 Pyongyang KCNA in English 1004
GMT 5 Jan 94

["Hanminjon Declares Its Break With Kim Yong-sam Regime"—KCNA headline]

[Text] Pyongyang, January 5 (KCNA)—The South Korean National Democratic Front (Hanminjon) solemnly vowed to overthrow the Kim Yong-sam regime, joining all people who aspire after independence, democracy and reunification in declaring a resolute break with it.

This stand was manifested in the "declaration on the situation" adopted at an enlarged meeting of the standing committee of the Central Committee of Hanminjon, according to Seoul-based radio Voice of National Salvation.

The "declaration on the situation" says:

"The Kim Yong-sam regime born of the womb of the 'sixth republic' under the 'civilian' veil loudly advertised 'changes' and 'reform' for 10 months after its appearance. But nothing but the sediment of the military dictatorship remains and there is nothing done for the people.

"There is no ruler of South Korea who did not serve the United States as its stooge. But there was no such stooge as Kim Yong-sam who got the promise of the U.S. to leave its forces in South Korea in reward for his role of a 'shockbrigade' in executing its 'plan of a new Pacific community' and offered human and material resources wholly to it as strategic supplies.

"Today the traitor Kim Yong-sam relinquished the demand for the liquidation of the Japanese imperialists' colonial past and compensation to 'comfort women for the army' and has flung the door wide open for the reinvasion of the Japanese reactionaries who are trying to become a military power and a nuclear power.

"Owing to these treacherous acts of the Kim Yong-sam group, the dialogue and exchange which took place even under the military dictatorship of the 'sixth republic' has been completely stopped, the North-South agreements remain mere sheets of paper, the North-South relations have been totally frozen and dark clouds of a nuclear war hanging over the heads of the nation. It is the general view of our people that the treacherous Kim Yong-sam regime must no longer be left alone."

The declaration calls for overthrowing the sham civilian "government", establishing a genuine independent and democratic government and putting the movement for independence, democracy and reunification on its track.

The declaration also calls for achieving the unity of the patriotic, democratic forces to fight till they have fundamentally removed colonial domination, fascist dictatorship and national division and won independence, democracy and reunification.

'Slandering' Remarks by Japan's Hata Denounced*SK0501014794 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 4 Jan 94*

[Text] According to reports, Japanese Foreign Minister Hata told a preposterous sophistry during a news conference by saying that the suspicion of North Korea's nuclear development is a factor of restlessness in the entire Asian region.

In view of Hata's slanderous remarks against us in his first official appearance in the new year, it is not hard to predict that the Japanese authorities' hostile, anti-Republic maneuver [pangonghwaguk choktaesi chaek-tong], far from being alleviated, will become more unscrupulous this year.

Hata's remarks, that greatly agitate us, are utterly destructive [paekhae muik]. They are of no help in resolving the nuclear issue on the Korean peninsula, but will only result in complicating the situation.

The Japanese authorities' continued provocative utterances of slandering and defaming us plainly show that they still seek a sinister scheme [hyungcheak] to isolate and ruin [malsal] us in conspiracy with seditious forces, far from atoning for immeasurable misfortunes and sufferings they criminally imposed on our people in the past and establishing good-neighborly relations with us.

The first issue in the new year of NIHON KEIZAI SHIMBUN reported that it is highly possible that Japan will participate in war on the Korean peninsula in case of an emergency. This clearly shows the Japanese authorities' ambition for reinvasion [chaechim kido].

The Japanese authorities' attempt to gain supremacy over [cheap] our Republic with force is a futile illusion.

The Japanese authorities must look straight at the trend of the times and should not act rashly and thoughtlessly.

Vice President Yi Chong-ok Meets Algerian Envoy*SK0501110894 Pyongyang KCNA in English 1030
GMT 5 Jan 94*

[Text] Pyongyang, January 5 (KCNA)—Vice President Yi Chong-ok today met and had a talk with Algerian Ambassador to Korea Hanafi Oussedik at the Mansudae Assembly Hall when the latter paid a courtesy call on him.

Present there was Vice Minister of Foreign Affairs Kim Yong-il.

Foreign Media Report Kim Il-song's Address*SK0501050294 Pyongyang KCNA in English 0413
GMT 5 Jan 94*

[Text] Pyongyang, January 5 (KCNA)—The great leader President Kim Il-song's New Year address was reported by the Chinese PEOPLE'S DAILY, BEIJING DAILY,

GUANGMING DAILY and LIBERATION DAILY, the Cuban paper JUVENTUD REBELDE and the Japanese ASAHI SHIMBUN, YOMIURI SHIMBUN, NIHON KEIZAI SHIMBUN, MAINICHI SHIMBUN and TOKYO SHIMBUN.

It was also reported by PRENSA LATINA and radio Reloj of Cuba, Radio Moscow and ITAR-TASS of Russia, RTV and other radio and television of Madagascar, the radio of Togo, the radio and television of Jordan, the radio of Cameroon, Voice of America and CNN of the United States.

Vice President Supports Kim Il-song's Address*SK0501060194 Pyongyang KCNA in English 0445
GMT 5 Jan 94*

["Vice-President Kim Pyong-sik on Principled Stand for National Reunification"—KCNA headline]

[Text] Pyongyang, January 5 (KCNA)—The principled stand regarding national reunification clarified by the respected leader President Kim Il-song in his New Year address serves as a banner inspiring the whole nation to accomplish the cause of reunification in the 90s, tiding over difficulties in the way of the nation, said Kim Pyong-sik, vice-president of the DPRK and chairman of the Central Committee of the Korean Social Democratic Party, in his statement to the press on January 4.

He said that the great leader in his New Year address pointed out that in future, too, the government of the DPRK would make every effort to reunify the country in the form of confederation which is based on one nation, one state, two systems and two governments, in accordance with the three principles of independence, peaceful reunification and great national unity.

He said that all the compatriots in the North, South and abroad should turn out as one man to establish a unified confederal state, closely united in one mind, transcending the differences in ideology, ideal and political view and religious belief under the banner of the 10-point program of the great unity of the whole nation.

Noting that the respected leader President Kim Il-song in the New Year address expounded the principled stand of the government of the DPRK that the nuclear problem on the Korean peninsula should be settled through the DPRK-U.S. talks, he said that the nuclear problem on the Korean peninsula should be solved through negotiation between the United States which introduced nuclear weapons and the DPRK exposed to its potential threat and the United States must know that it will get nothing from resorting to pressure and threat.

The entire members of the Korean Social Democratic Party in hearty response to the New Year address of the great leader President Kim Il-song would make all efforts to achieve reunification in the 90s by great national unity, he declared.

People Vow To Realize Leader's New Year Goals

*SK0501105594 Pyongyang KCNA in English 1024
GMT 5 Jan 94*

[Text] Pyongyang, January 5 (KCNA)—Working people in different parts of the country upon receiving the New Year address of the great leader President Kim Il-song for 1994 resolved to vigorously accelerate the general march of socialism through their singlehearted unity.

Chi Song-yong, a department director of the State External Economic Affairs Commission, said that in order to adapt foreign trade to the changed circumstances, they would cultivate new foreign markets in every possible way and build up an unquestionable reputation, increase the production of export goods and improve their qualities, develop processing trade and thus overfulfill their assignments in foreign trade.

Hwang Se-pyong, director of the production guidance department of the Ministry of Coal Industry, vowed to scrupulously organize economic affairs, skillfully direct production and actively enlist the revolutionary enthusiasm and creative ingenuity of the masses in compliance with the requirements of the party's economic strategy so as to overfulfill the yearly coal production plan.

No Pong-ho, chairman of the management board of the June 3 Cooperative Farm in Onchon county, South Pyongan Province, said he would work hard to increase per hectare yield of grain markedly by realizing the comprehensive mechanization of agriculture on a higher level and successfully meeting the requirements of the *chuche* method of farming.

Anniversary of Kim Chong-il Work Noted

*SK0401105794 Pyongyang KCNA in English 1010
GMT 4 Jan 94*

[Text] Pyongyang, January 4 (KCNA)—Two years have elapsed since "The Historical Lesson in Building Socialism and the General Line of Our Party", an immortal classical work of the dear leader Comrade Kim Chong-il, was published on January 3, 1992.

This highly important work which indicates, on the basis of a scientific analysis of the reasons why socialism had failed in some countries, the road of rebuilding the socialist movement and leading it to victory, has been widely disseminated among the world's revolutionary parties and peoples aspiring after socialism.

Joint seminars, seminars, lectures and explanations on the work were held on 180 odd occasions in some 80 countries including India, Pakistan and Mali.

Political parties, organizations and public figures of different countries published press statements, articles and statements hailing the work.

In the past two years after the publication of the work some 130 press media of 90 odd countries reported the full text or gist of the work on more than 200 occasions.

The work was translated and published in a booklet or in a collection of works in different countries such as Bangladesh, India, Nepal, Pakistan, Laos, Romania, Russia, Poland, Netherland, Portugal and Namibia.

Publication of Kim Chong-il's Work Marked

*SK0501052094 Pyongyang KCNA in English 0419
GMT 5 Jan 94*

[Text] Pyongyang, January 5 (KCNA)—A meeting was held here Tuesday to mark the first anniversary of the publication of the dear leader Comrade Kim Chong-il's immortal classical work "Let Us Develop Our Youth Movement to a New, Higher Level" (January 5, 1993).

In his report at the meeting, Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK], said the classical work of the dear leader Comrade Kim Chong-il is a highly important work of great significance in rallying the young people around the party in one mind and firmly preparing them to be young vanguards who defend the party and the leader with their lives and to be lifeguards and death-defying corps who defend and exalt Korean-style socialism centred on the masses, in face of the vicious manoeuvres of the imperialists and reactionaries to isolate and stifle our country, the bastion of socialism.

The reporter noted that the dear leader called upon the young people to remain loyal to the socialist cause, supporting the party's ideas and leadership and play the vanguard role in the nationwide struggle for the reunification of the country and advanced tasks to develop the overseas Korean youth movement and strengthen unity and solidarity with the progressive youths of the world.

"It is a heavy yet honorable task facing the youth league organisations and officials to unite the young people around the party and the leader in one mind, prepare them to be rifles and bombs defending the party and the socialist system in the van with their lives and put them at the head of the drive to implement the party's revolutionary economic strategy for hastening the final victory of the socialist cause and the cause of national reunification", the reporter said.

Stating that the dear leader's guidance is the life and soul of the LSWYK and the source of unconquerable might, the reporter said the whole league should thoroughly establish a strong revolutionary discipline of acting as one under his unitary guidance so that the party's line and policy can be the faith and will of the young people at all times.

The meeting was attended by Secretary of the Central Committee of the Workers' Party of Korea Kim Chung-nin.

People Urged To Employ 'Revolutionary Optimism'*SK0401050394 Pyongyang KCNA in English 0414
GMT 4 Jan 94***["NODONG SINMUN Calls for Winning New Victory With Revolutionary Optimism"—KCNA headline]**

[Text] Pyongyang, January 4 (KCNA)—In order to make 1994 a year of a historical turn in the revolution and construction in our country, all the party members and working people must stir up themselves and staunchly struggle with revolutionary optimism, convinced that they can emerge victorious when they advance under the guidance of the dear leader Comrade Kim Chong-il, says NODONG SINMUN in an editorial today.

It notes:

Let us strive harder and advance toward a new victory with revolutionary optimism—this is an important militant slogan which our party and people must hold high now.

The conviction of victory and revolutionary optimism are our invincible ideological and spiritual weapon in the general march of socialism at the present time.

What is important in winning a new victory, full of revolutionary optimism, is that the entire people have the unshakable will and faith that they will surely win when they advance under the leadership of our party.

The mental support for our people is Comrade Kim Chong-il.

All the party members and other working people must always keep in mind the conviction of victory and the future of the revolution, deeply understanding his greatness.

Loudly singing the song "We Will Win Because You Are Leading Us," we must have a strong will, fearing no difficulty, adversity and formidable enemy, under the guidance of the dear leader.

We must also be firmly convinced of the invincibility of the cause of Korean-style socialism which is vigorously advancing under the banner of the great *chuche* idea.

If our officials and working people are to live and struggle with revolutionary optimism, they must learn from the ideological and spiritual world of Comrade Yi In-mo who steadfastly defended the principle as a revolutionary, convinced of the victory of our revolutionary cause.

'Fruitful Year' of Construction Achievements*SK0501105894 Pyongyang KCNA in English 1029
GMT 5 Jan 94*

[Text] Pyongyang, January 5 (KCNA)—1993 was a fruitful year which saw noteworthy achievements in the construction of the capital city in Korea.

30,000 flats each with a floor space of 90 to 120 square metres and with a total plottage of 14.8 million square metres were built and some 40 schools, nurseries and kindergartens and about 20 public service facilities with a total plottage of 182,000 square metres made their appearance in Pyongyang last year.

The three-revolution exhibition and some 40 other monumental edifices with a total floor space of 777,000 square metres were built, changing the looks of the capital city.

These splendid edifices of eternal value are great creations of the spirit of devoted service to the people displayed by the Workers' Party of Korea which regards the improvement of the people's living standard as the supreme principle of its activity.

The dear leader Comrade Kim Chong-il initiated the construction projects in the capital and took all necessary measures to successfully carry them out.

He organised a strong construction force and indicated the direction and ways of construction.

He acquainted himself with the progress of the construction in each stage, solved knotty problems in time and guided the construction on the spot several times.

Even when a touch-and-go situation was created by the imperialists' moves to unleash a nuclear war, he wisely took measures time and again to push ahead with the construction of the capital.

Greatly encouraged by this, the builders carried out in a year the vast construction which would have taken more than ten years at an ordinary pace.

Composing, Choreography Machine Developed*SK0501045694 Pyongyang KCNA in English 1501
GMT 4 Jan 94*

[Text] Pyongyang, January 4 (KCNA)—A composing and choreographing machine has been developed in Korea.

This machine attracting deep attention from composers and choreographers is capable of noting musical pieces and dances and freely compiling and printing full scores of music and dance notes.

When one plays a musical piece he conceived on an electronic piano its notes appear on the display along with the sound and the completed melodies are printed or saved.

And a choreographer can save in a computer by notes dance movements he conceived and recall them on the display and complete them through revision.

The machine makes it possible to freely record comprehensively all rhythmic languages including Taekwon-do, to say nothing of dances of different countries, because it combines on a theoretical basis some 300 million dance movements and more than 2,000 million dance patterns with not many notes.

This machine which combines an electronic instrument and a computer together helps one create or read a dance adapted to a melody.

The development of this machine has opened a prospect for disseminating new music and dance works at art organizations and institutions at a time through a computer network.

Computer experts are showing keen interest in this machine, saying that it is possible to apply with it the alphabetic dance notation to formulae of architectural designing engineering and robot engineering and robot engineering (multipurpose robot).

South Korea

U.S., DPRK Said To Agree on Inspection Principles

SK0501065094 Seoul MUNHWA ILBO in Korean
5 Jan 94 p 1

[Text] On 5 December, a relevant government official revealed that North Korea and the United States have completely reached an agreement on the principles for inspection of seven nuclear-related facilities in North Korea by the International Atomic Energy Agency [IAEA], on announcing the suspension of the Team Spirit exercise, and on resumption of North-South dialogue in a third round of high-level talks. The official added that removing differences over minor issues was the only procedure remaining.

The official said that the two sides differed on the title for inspection of the North, but that the two sides agreed late last year that "inspections will be carried out so that the IAEA's safeguards measure in North Korea and its continuity are ensured." Thus, he indicated that the only remaining point of dispute was the venue for discussions between the IAEA and North Korea on resumption of inspections.

Observers believe that North Korea may agree on sites other than Pyongyang as the venue for discussion of resumption of inspections.

Another government official said that "suspension of the Team Spirit exercise will also be announced when North Korea officially expresses its will to accept inspection." He added however, that the announcement of the suspension of the Team Spirit exercise will be made with the

proviso that IAEA inspections should be carried out successfully and that the exchange of special envoys of the North and the South should be realized.

Conclusion of DPRK Nuclear Issue 'Soon'

SK0501125094 Seoul KBS-1 Television Network in Korean 1222 GMT 5 Jan 94

[Text] North Korean UN Ambassador Pak Kil-yon today said that since the U.S.-North Korean negotiation has reached a final stage, a final conclusion [choejong kyollon] will be made soon, adding that since the issue of nuclear inspection requires technical procedures, North Korea will be able to resolve it in consultation with the International Atomic Energy Agency [IAEA]. It is, therefore, expected that the IAEA's nuclear inspection team will visit North Korea to conduct inspections of the seven declared North Korean nuclear sites. However, the IAEA said that it has not yet been contacted by North Korea or the United States in connection with the inspection of the North Korean nuclear sites.

U.S., DPRK Have 'Delicate Difference in Views'

SK0501041394 Seoul TONG-A ILBO in Korean
5 Jan 94 p 5

[Article by Washington-based correspondent Nam Chan-sun: "War of Nerves on 'Juridical Viewpoint' of Nuclear Inspection of North Korea"]

[Text] It has been learned that there is a delicate difference in views between the United States and North Korea on the legal nature of the inspection, which is a principled and essential issue for the solution to the nuclear problem. Thus, people are paying great attention to how the difference will be settled in the future.

The difference in views between the United States and North Korea originated with the issue concerning the position North Korea is holding regarding the Nuclear Nonproliferation Treaty [NPT]. In other words, North Korea claims that since it is still in a state of "withholding the withdrawal from the NPT," it has no responsibility to fulfill its obligations as an NPT member. Based on this theory, the North Korean side says it is not in the position to accept regular and non-regular inspections prescribed in the accords of the International Atomic Energy Agency [IAEA] but would only cooperate with the United States for ensuring nuclear safeguards and its continuity.

Therefore, experts believe that such a claim made by North Korea is a pitfall that would be used as an excuse for North Korea to refuse the IAEA inspection whenever it wants or to restrict the scope of the inspection.

It has been learned, however, that North Korea is not opposed to accepting the IAEA inspection at the present stage and that North Korea has agreed in principle to include seven nuclear facilities in the IAEA inspection.

During the 29 December contact, North Korea proposed to hold nuclear negotiations with the IAEA in Pyongyang. The U.S. side, however, conveyed its position to discuss a detailed procedure in Vienna where the IAEA Secretariat is located.

Therefore, the issue of whether North Korea will accept the entire contents of ordinary inspections demanded by the IAEA or accept only a limited inspection or an inspection with possible future limitations in order to ensure nuclear safeguards and its continuity, as North Korea openly claimed, will be a key to working out a compromised plan between North Korea and the United States. Concerning this, White House spokeswoman Dee Dee Myers stressed that the United States will continue demanding overall inspections and revealed the position that the United States will not accept the proposal for a limited inspection or inspections that have the possibility of future limitations.

The New York working-level contact between North Korea and the United States is aimed at reaching an agreement only on the general direction, and the agreement on detailed issues including the inspection method will be made at the forthcoming negotiations between North Korea and the IAEA. Experts believe that North Korea and the IAEA will reach an agreement when the New York working-level contact between North Korea and the United States conclude.

Therefore, in the event that North Korea insists, in actuality, on a limited inspection or an inspection with the possibility of limits in the future, instead of a nominal acceptance of an inspection, only to justify its position, the U.S.-North Korea working-level negotiation can hardly be about to reach its conclusion.

Government Asks U.S. Embassy To Pay Rent

SK0501061194 Seoul CHUNGANG ILBO in Korean 5 Jan 94 p 3

[Text] The government was learned to have recently sent a notice to the U.S. Embassy urging future payment of rent in relation to its nonpayment of rent for its building on Sejongno in Seoul.

On 5 December, the relevant government official stated: "The Board of Audit and Inspection pointed out in July 1993 that 'for no valid reason, the U.S. Government has not paid rent while occupying the embassy building for 13 years.' Thus, the Ministry of Culture and Sports, which manages the Embassy building, sent a notice to the U.S. Embassy requesting payment of rent."

The official stated that "such steps by the government is of significance in clearly informing the U.S. side of our position. Since the issue of unpaid rent will be discussed in future between the ROK and the United States, details regarding this were left out of the notice." He added that "based on the principle of resolving the rent issue for the U.S. Embassy building in accordance with diplomatic norms and practices, the government asked the U.S. side

for a prompt settlement, and the U.S. side said that it would make efforts for a solution when the new ambassador came into office."

According to the relevant government authorities, annual rent for the U.S. Embassy building is estimated at five hundred million won and unpaid rent for the past 13 years amounts is estimated to amount to 6.5 billion won.

The U.S. Embassy building was built in 1961 as one of twin buildings (the other building was formerly used by the Supreme Council and now houses the Ministry of Information and Ministry of Culture and Sports) with the ROK providing the land and \$1.15 million of the total \$3.21 million in construction costs and with the U.S. side providing the remaining \$2.02 million. The building stands on 6,625 square meters of land, has one underground floor and eight floors above the ground.

Veterans Reject Settlement on Agent Orange

SK0501042694 Seoul YONHAP in English 0146 GMT 5 Jan 94

[Text] Seoul, Jan. 5 (YONHAP)—Some 200 South Korean veterans of the Vietnam war have rejected an out-of-court settlement in their class-action suit against seven American chemical companies, a spokesman for the Association for Agent Orange Victim Veterans of the Vietnam war said Wednesday.

They are seeking compensation of 300 million U.S. dollars for illnesses caused by the herbicide agent orange, and were offered 30 million dollars in August last year by the U.S. chemical companies, which include Dow Chemical Co. and Monsanto company.

Spokesman Pae Nam-su, 50, said he filed the suit against the seven manufacturers of the dioxin-based herbicide, widely used as a defoliant in the Vietnam war, in May 1993 on behalf of 204 Korean victims in the State Court of Texas and expects the first hearing this April.

The veterans association sent a list of 100 names, including Pae's, who have been recognized with agent orange sequelae by the Patriots and Veterans Affairs Ministry, and documentary evidence of their service in Vietnam to American lawyers in March last year and sent documents on 104 additional victims in August.

The Rev. Yi Su-man, chairman of the association, said the chemical companies offered 30 million dollars for the estimated 3,000 agent orange victims in Korea on line with the compensation paid to American victims in 1980 through the association's lawyer in August.

"But I concluded that the sum is too small considering the cost of treatment over the years and us being a minority race, and so I have refused the offer," Yi said. "Even if it takes us two or three years, we are determined to get every penny of the amount we demand," he said.

Six lawyers will defend the victims in the United States and two lawyers are offering legal advice in Seoul.

The Korean Veterans Association plans to file a separate suit against two American chemical companies on behalf of Korean agent orange victims.

Minister Raises DPRK Human Rights Issue

SK0501072994 Seoul YONHAP in English 0718 GMT 5 Jan 94

[Text] Seoul, Jan. 5 (YONHAP)—Deputy Prime Minister Yi Yong-tok raised the issue of human rights in North Korea on Wednesday, opening the possibility that Seoul will take up the matter with Pyongyang when inter-Korean dialogue resumes.

"It's about time North Korea recognized universal values, such as freedom, respect for human rights and welfare," Yi told reporters.

"North Korea must also ride the trend of world history for inter-Korean reconciliation and coprosperity, and for this we must tell the North Koreans things that sound harsh to their ears."

Values respected in democratic societies must also be respected in North Korea, said Yi, who is also unification minister.

"We must induce the North Koreans into realizing the basic value of respect for human rights," he said.

Noting that the most important human rights problem facing both South and North Korea is the issue of separated families, he said it shames the Korean people that these families still do not know whether their beloved are alive.

"Meeting itself is no longer an end in inter-Korean relations, and we must now make this relationship move forward to a higher goal," he said. "If they don't agree on our principle, we won't respond unconditionally to their proposal for a meeting. So far we've tried to bring them over to the meeting table and we've avoided telling them what they don't like to hear. But now we need to awaken them to the universal values of mankind, however harsh it may be to their ears."

Defense Ministry Aide on North Nuclear Issue

SK0101062094 Seoul THE KOREA HERALD (Supplement) in English 1 Jan 94 p 9

["Excerpts" from the paper: "Nuclear Disarmament and Nonproliferation in Northeast Asia" by Dr. Jan Yong-sup, aide to the Defense Ministry]

[Text] North Koreans have maintained that their nuclear program is solely for peaceful purposes and went a step further alleging that the peaceful nature of their nuclear program has been proved since the first IAEA [International Atomic Energy Agency] for ad-hoc inspection.

According to the North Korean Government's explanation to the IAEA, they developed spent-fuel reprocessing plant for the later use of fast breeder reactors or mixed

oxide fuels, adding, however, North Korea's technological capability does not match with such advanced technology.

This can be interpreted as a groundless excuse. However, the experimental 5MWe reactor at Yongbyon is a graphite-moderate, natural-uranium-fueled and gas-cooled reactor which is more appropriate for generating spent fuel as quickly as possible to produce weapons-grade plutonium rather than for generating electricity.

North Koreans are reluctant to sign the Chemical Weapons Convention (CWC) because its clause pertaining to inspections may spill over to the nuclear issue. If they accept the CWC, there will be no grounds to shrink from any kind of inspections.

Decisions to go nuclear seem to have been made in the early 1960s. The push for the program became more compelling in the late 1980s for the following reasons: North Korea's concern about rising costs when trying to match more advanced South Korean conventional weapons capabilities, its concern about cutbacks in Soviet arms supplies and the Kremlin's distancing from the North to become closer to the South, China's failure to provide any real substitutes and lastly the concern reinforced by the technologically superior U.S.-led multi-national forces defeating the Soviet-armed Iraqis in the Gulf war.

More serious is North Korea's intention to wage another war with nuclear weapons in an era of austerity for the North Korean regime which is doomed to collapse if the worst case scenario unfolds: to initiate a surprise attack on the South and occupy some territory and negotiate a surprise attack on the South and occupy some territory and negotiate for the termination of war, or to deny U.S. reinforcement by threatening to use nuclear weapons.

As we know from North Korea's behavior toward the IAEA inspections, its nuclear policy is no more than withholding information, hindering, covering up and fabricating facts.

The North Koreans have alleged they have extracted a tiny amount (gram units) of plutonium in 1990. However, they withheld the information as to what they have done with the plutonium and what they have done with the reprocessing capabilities since then. An analysis of the samples taken from the small amount of plutonium indicates large discrepancies with the timing and the number of batches processed.

Actual amount

The discrepancies largely have to do with the actual amount of plutonium they have extracted. Estimates range between 8 kg and 24 kg.

North Korea's official response to the outside world about its nuclear weapons program is always the same: "We have no intentions, nor capabilities to manufacture nuclear weapons."

If North Korea pushes the nuclear program, the consequences will be significant, not being limited to the Korean Peninsula. The fear that the North may use nuclear weapons in war provides Seoul with a strong incentive to get nuclear weapons. Japan will hardly tolerate such a situation, either. Having advanced nuclear technology and a serious concern about North Korea's deep-strike delivery capabilities, there may be no reason for Japan to sit idle.

Though the IAEA has conducted six ad-hoc inspections on North Korean nuclear sites, it could not find out the totality of the North Korean nuclear program. As is known, the IAEA inspection regime has inherent limitations.

The IAEA inspections are limited to the sites declared by a member state. When the state itself refrains from declaring and identifying its secret activities, there is no effective way to inspect the undeclared sites as of now.

Though the IAEA Board of Governors already has reaffirmed the IAEA's right to request inspection to identify undeclared nuclear material in case there are reasons to believe such material exists and explanations have not clarified the matter, North Korea is becoming the first test case for special inspections.

Before such special inspections become institutionalized, there exists no effective way to prevent clandestine efforts under their present IAEA inspection regime to develop nuclear weapons despite the IAEA safeguard inspections.

Keeping these limitations in mind and attempting to resolve major discrepancies between North Korea's declaration and the IAEA's findings, the IAEA Board of Governors Meeting issued a resolution that called on the North to fully cooperate with the IAEA to enable the IAEA to conduct special inspections on the two suspect sites within one month after the adoption of the resolution.

If North Korea does not respond positively, this case may be brought to the U.N. Security Council after the deliberation process by the IAEA Board of Governors.

If the IAEA and South Korea do not succeed in preventing the North Korean nuclear program within a short period of time, then vocal sentiments inside South Korea may rise to reconsider the policy of not developing nuclear reprocessing and uranium enrichment capabilities. Even more serious is the possibility of going nuclear.

North Korea's nuclear facilities

	Capacity	Year of start-up, place
Research reactor	8 MWt	June 1965, Yongbyon
Experimental reactor	5 MWe	Jan. 1986, Yongbyon
Reactor	200 MWe	under construction, Yongbyon

Reactor	200 MWe	under construction, Taechon
Radiochemical laboratory		Yongbyon
Fuel rod fabrication plant		Yongbyon
Uranium concentration plant		Pakchon
Uranium concentration plant		Pyongsan
Isotope processing laboratory		Yongbyon
Fuel fabrication plant		Yongbyon

Daily Predicts Changes in DPRK in New Year

SK0301141694 Seoul CHUNGANG ILBO in Korean
3 Jan 94 p 29

[Article by Yu Yong-ku and O Yong-hwan: "How Will North Korea Change in the New Year?"]

[Text]

Power Structure

The matter of greatest interest regarding the change in the power structure expected to take place this year in North Korea is Kim Chong-il's succession to power. The year of 1994 will mark 20 years since Kim Chong-il was nominated as the successor in the plenary session of the Workers' Party Central Committee in February 1974. This also attracts the people's attention.

In view of the importance attached to the so-called "cyclic year"—such as the 10th and the 20th year—in North Korea, it is likely that visible steps for settlement of succession to power will be taken this year. This speculation is also supported by the step-by-step measures taken each year since 1991 for Kim Chong-il's succession to power, including his successive nomination as the supreme commander of the military, marshal, and chairman of the National Defense Committee. If step-by-step measures are not taken this year regarding succession to power, it could mean that an abnormal front [isang chonson] might have been created within the North Korean power structure.

People observe that at least one of the titles retained by Kim Il-song at present, including general secretary of the party, chairman of the party's Central Military Commission, and the president of the state, will be transferred to Kim Chong-il this year, and complete succession to power, including transfer of the remaining titles, will be finalized in late 1995 or thereafter.

This observation is supported by the fact that North Korea has designated 1995 as "the year for reunification," that North Korea would require an overall evaluation of its decision to designate the upcoming two and three years as an adjustment period, and that Kim Il-song demonstrated his health by giving on-the-spot guidances more than 10 times last year.

Therefore, it appears that this year the title of either president of the state or chairman of the party's Central Military Commission will be transferred to Kim Chong-il, while succession to the position of general secretary of the party will be somewhat delayed in view of the characteristic nature of the socialist state.

The possibility of early succession to the presidency was predicted in 1992 through the revised Constitution, which abolished the regulation stipulating that the president hold the additional post of chairman of the National Defense Commission and which prescribed that the president's responsibility may be reviewed at the Supreme People's Assembly. As a result of this, the president's power was drastically reduced. This may be construed to be a step-by-step measure for Kim Chong-il to advance toward the position of president from chairmanship of the National Defense Committee.

There has also been speculation regarding succession to the post of chairman of the party's Central Military Commission. The party's rules stipulate, however, that the general secretary hold the additional post of chairman of the Central Military Commission. Therefore, in order to realize the succession, the step to separate the two positions must be taken by first revising the party's rules.

Last year, senior officials, including O Chin-u, Choe Kwang, Yi Chong-ok, Pak Song-chol, Kim Yong-chu, and Kim Pyong-sik, either retained their incumbent positions or were newly appointed. It is anticipated, however, that a fierce whirlpool of generational shifts will sweep North Korea at the end of this year.

The generational shift will be carried out in such a manner to support Kim Chong-il's succession to power. It is highly likely that Kim Tal-hyon and Kim Yong-sun, who were demoted, will be reinstated; and Kim Ki-nam, Kim Kuk-tae, Chang Song-tae, and the like, who are close associates of Kim Chong-il, will appear at the forefront during the shift.

If the nuclear problem is not satisfactorily solved and the economic crisis persists, succession to power and the generational shift will face serious trials.

Nuclear Issue and Diplomacy

The North Korean nuclear issue is the core for maintaining the system and for defining economic problems.

Through the drastic measure of withdrawing from the Nuclear Nonproliferation Treaty [NPT], North Korea is attempting to ensure maintenance of its political system and to secure economic assistance.

It seems that the North Korean nuclear problem, which was the main cause of deadlock in North-South relations last year, will be settled this year in some form. There is great possibility that North Korea, which is now standing on the crossroads of its decision to advance

toward nuclear weapons development or to ensure its nuclear transparency, will undertake a policy of ensuring its nuclear transparency.

As the NPT will be revised in 1995, the policy for international denuclearization will likely be strengthened, and North Korea's nuclear development will only cause its own isolation by going against the trend of the time after the end of the cold war.

North Korea's choice to ensure nuclear transparency will be made in expectation of maintaining its system. This choice may give rise to discord within North Korea's power structure. Even if North Korea makes this choice, the North Korean nuclear issue will enter into other aspects if the quantity of extracted plutonium proves to be more than expected as the result of International Atomic Energy Agency [IAEA] inspections. In this case, concealment of plutonium will be the point of dispute and North Korea and the international community will again wrangle with each other.

In the event North Korea accepts complete nuclear inspection of the seven nuclear facilities it reported to the IAEA, North Korea-U.S. relations will begin to improve above all and negotiations between North Korea and Japan for establishment of diplomatic relations will be resumed.

The first step in improving U.S.-North Korean relations will be the lifting of the U.S. embargo against North Korea; even the mutual exchange of liaison missions will be realized between North Korea and the United States.

The negotiations for establishing diplomatic relations with Japan, held over eight times in the past, will be resumed and will make noticeable progress.

This is because the pro-North Korean Japanese Social Democratic Party has the majority of seats in the Hosokawa coalition cabinet and because North Korea is in need of reparations from Japan to overcome its economic difficulties.

In the meantime, North Korea will likely strive to improve relations with China and Russia, its traditional allies, and to emphasize economic diplomacy with oil producing countries including Iran and Libya.

At the same time, North Korea will continue pushing for nonaligned diplomacy with third world countries, including those in Southeast Asia and Latin America.

Economy and Society

It appears that this year North Korea will unlock the gate of its economy externally, while internally it will attempt to further strengthen the control of people in order to maintain its political system, thus implementing two contradictory policies.

In view of its outdated production facilities and backward technology, the North Korean economic index will not likely show noticeable growth this year.

Improvement in U.S.-North Korean relations following solution to the nuclear problem, however, will bring about a stable supply of foodstuffs and oil, as well as a reduction in defense expenses, thus serving as a new factor for invigorating its economy.

It is expected that this year North Korea will, for the first time, induce foreign capital to Najin-Sonbong free trade zone as part of its external opening up. North Korea will also likely induce foreign investments for developing sight-seeing resources in the Mt. Paektu and Mt. Kumgang areas. It is presumed, however, that North Korea will decide on the opening of Nampo industrial zone and the like after analyzing the result of development of Najin-Sonbong district.

It is clear that North Korea will accelerate external trade following declaration of the trade-first policy and will diversify its markets by extending to Europe, Taiwan, and Southeast Asia. Needless to say, North Korea will direct its efforts on restoring normal economic relations with China, Russia, and Iran with a view to securing a stable supply of foodstuffs and oil. However, such a limited opening up will work as an occasion to strengthen the control of people in a bid to maintain the system, because North Korea has learned a lesson from Eastern Europe that opening up should not be allowed to be a factor for collapse of the system.

Therefore, North Korea will allow only the people whose so-called identities and status are reliable, to move in the Najin-Sonbong district, which will be opened as a free trade zone; and ideological indoctrination among the residents will be intensified more than ever before.

North Korea's emphasis on national tradition by unearthing the Tangun Tomb and dealing with the issue of national cultural inheritance as the first agenda item at the Supreme People's Assembly held in December 1993 can be regarded as a signal of strengthening the ideological control of the people.

Such indications were also noted during the Korean intellectuals' rally held in late 1992 at which the laws on opening were revised, and during the rally of forerunners with beautiful communist traits held last December at which the trade-first policy was declared. In spite of such intensified internal control in North Korea, this year will be the first year of substantive changes in North Korean residents' consciousness.

This is because frequent exchanges with the West after declaring the trade-first policy and the limited economic opening up will inevitably result in changes in residents' consciousness.

The success of the control of North Korean residents in the midst of the policy of limited opening up will be a key to choosing opening up or self-reliance.

President's 1994 Trips To Include Russia, Japan

*SK0501010794 Seoul YONHAP in English 0023 GMT
5 Jan 94*

[Text] Seoul, Jan. 5 (YONHAP)—President Kim Yong-sam will make overseas trips this year to Russia, Japan and Southeast Asia while receiving a Chinese leader, possibly President Jiang Zemin, officials said Wednesday. Kim has standing invitations from both Moscow and Tokyo, and a trip to Russia is possible in the first half of the year since President Boris Yeltsin is expected to name his new cabinet next week.

"Even considering the necessary preparation time after that, the Russian visit is possible within the first six months," one official said.

A tour of Malaysia, Singapore and other members of the Association of Southeast Asian Nations (ASEAN) will be arranged more matter-of-factly around Kim's attendance at the Asia-Pacific Economic Cooperation (APEC) summit in Indonesia in November. His trip to Japan will be scheduled between the Russian and ASEAN visits, anytime from July to September, the official said.

Kim will receive a visit by either Jiang or Prime Minister Li Peng, who will return the call by Kim's predecessor, No Tae-u.

Kim, to show his priority on domestic affairs, left the country just once during his first 10 months in office, for the APEC meeting in Seattle followed by a summit with U.S. President Bill Clinton.

Russia Studying Cooperation With DPRK, ROK

*SK0501082294 Seoul HANGYORE SINMUN in Korean
4 Jan 94 p 7*

[Text] Russia has been learned to be looking into ways of coordinating tripartite cooperation between the ROK, North Korea, and itself.

According to Russia's Foreign Ministry report on tripartite trade obtained by a Moscow-based trade authority of the Korea Trade Promotion Corporation [Kotra] on 3 January, Russia is seeking to form a tripartite trading system coordinating Russia's resources, the ROK's capital, and North Korea's labor.

The source says that Russia is studying the possibility of tripartite cooperation in 17 projects, including the development of Russia's iron mines and energy resources and the reconstruction of a railway traversing the Korean peninsula vertically.

Particularly, Russia assesses that it will take the helm in tripartite cooperation. In other words, Russia believes that it can play the role of mediator for dialogue if North Korea rejects cooperation with the ROK.

The reconstruction and joint operation of a railway traversing the Korean peninsula vertically is one of the

tripartite cooperation projects Russia is now considering. In this project, the ROK is supposed to provide financial assistance and Russia is to provide locomotives and transportation machinery.

The tripartite cooperation projects also include a plan to develop the Tuman River basin as a center of traffic, where sea routes linking Russia's Far East ports and ROK ports with the trans-Siberian railway converge. This plan will be promoted in connection with the Tuman River development plan.

Furthermore, while reviewing a plan to offer markets to North Korea in order to enhance the operation rate of its light industry, Russia is planning to offer the ROK raw and subsidiary materials.

Russia hopes to modernize plants and to build new production lines with ROK finances, facilities and technology while it supervises facilities and provides concrete designs for North Korea's nonferrous metals, ship-building, train and transportation equipment, ship repairing, construction materials, and light industries.

At the same time, Russia is also looking for ways to coordinate North Korean labor and ROK capital and equipment in its development of agriculture, forestry, fishery, coal industry, energy resources, and iron mines. Russia desires the participation of ROK construction companies in the construction of energy, petrochemical, and electric appliance production bases in its Far East and Siberia. It may compensate North Korea in cash or barter trade.

Regarding this, Kotra said, "It is difficult to put the tripartite cooperation into practice now, but an environment for this is maturing." He then added, "The ROK needs to prepare for this, and establishing a special body, such as an ROK-Russia-North Korea intergovernmental advisory committee for promoting cooperation projects, may be worthwhile.

Tax-Free Regulations on Russians Affect Business *SK0401021594 Seoul YONHAP in English 0142 GMT 4 Jan 94*

[Text] Pusan, Jan 4 (YONHAP)—The Russian Government will toughen its regulations on tax-exempt goods brought in by Russian hawkers this year, dealing a heavy blow to traders in Pusan, the Korea Trade Promotion Corp. (KOTRA) said Tuesday. As hawkers bring in more and more goods, Moscow has decided to lower the duty-free limit to 2,000 U.S. dollars per person from 5,000 dollars.

The decision is expected to deal a heavy blow to traders in Pusan and other international marketplaces, who have prospered from their dealings with Russian peddlers over the last three years, officials at KOTRA's Pusan branch said.

Russian sailors and traders have been top customers in the southern port since Seoul and Moscow normalized

diplomatic ties in 1991 and their purchases from the so-called Texas market of such necessities as refrigerators and bread are worth 10 billion won (12.3 million dollars) a month, the officials said. Texas market in eastern Pusan hired Russian-speaking students and ethnic Koreans from Sakhalin early last year and set up shops exclusively for Russians to meet the growing demand.

Country To Join OECD Maritime Commission

*SK0401021294 Seoul YONHAP in English 0136 GMT
4 Jan 94*

[Text] Seoul, Jan. 4 (YONHAP)—Korea will join the Organization for Economic Cooperation and Development (OECD) maritime transport committee as an observer this year in an effort to actively cope with world maritime market opening, the Korea Maritime and Port Administration (KMPA) said Tuesday.

Korea will become a committee member in 1996, when negotiations for opening the world maritime market wrap up, according to KMPA officials.

KMPA will hold a public hearing either next month or March with maritime-related organizations, including the Korea Shipowners' Association, to collect opinions from businesses and research institutes, and establish an OECD maritime information center at the Korea Maritime Institute to gather information.

Joining the committee will enable the government to coordinate its maritime policy with major maritime countries and considerably reduce friction with them.

The government will be able to apply pressure through the committee on countries with protectionist policies, enhancing the international competitiveness of the Korean maritime industry, the officials said. However, Korea will experience various difficulties following the joining.

The government will have to repeal protectionist systems, including obligatory use of Korean freighters for designated cargoes, ahead of schedule and allow foreign advances into the domestic maritime transportation sector.

The OECD Maritime Transport Committee was established in 1961 to contribute to promoting international trade through free and fair sea transportation, and 24 countries, including the United States, Japan, Britain and New Zealand, have joined the committee so far.

Figures on Exports to Latin America Reported

*SK0501030194 Seoul YONHAP in English 0220 GMT
5 Jan 94*

[Text] Seoul, Jan. 5 (YONHAP)—Exports to Latin America fell last year for the first time since 1987, the Korea Foreign Trade Association (KFTA) said Wednesday.

January-November exports to the region of 4.49 billion U.S. dollars were off 0.7 percent from the same period in 1992.

Exports, which rose between 20 percent and 50 percent a month in the first half except for March, dropped 9.2 percent in August, 25.9 percent in September, 20.1 percent in October and 21.8 percent in November.

Exports to Latin America rose between 20 percent and 30 percent a year from 1987 and 72.4 percent in 1992.

The decline was attributed to economic recession in Brazil, Chile and Mexico.

The Latin American countries lowered tariffs in trade with the United States under bilateral agreements but raised tariffs in trade with Asian countries to keep out low-priced Asian products, officials said.

During the first half, Korean exports to Brazil rose more than 200 percent a month, but the growth rate plummeted to around 100 percent in the second half as Brazil tried to reduce imports due to worsening inflation.

Exports to Chile dropped for four months in a row from August to November. Exports to Mexico declined due to economic slackness and anti-dumping charges against Korean steel products, officials said.

Joint Venture To Build Oil Refinery in PRC

SK0401020794 Seoul YONHAP in English 0117 GMT 4 Jan 94

[Text] Seoul, Jan. 4 (YONHAP)—Yukong Ltd. has initiated a project to build an oil refinery with a daily output of 100,000 barrels in Shenzhen in China's Guangdong Province in joint venture with the China National Petrochemical Corp. (SINOPEC), a company spokesman said Tuesday. A team from Yukong and a Luoyang design company have begun a feasibility study for the project, worth 1.5 billion U.S. dollars, the spokesman said.

The study is scheduled to end in March, and if the result is favorable Yukong will apply for joint-venture approval from the Shenzhen authorities and begin construction in the second half of the year for completion by late 1997, he said.

Yukong and SINOPEC agreed to form a locally incorporated joint venture capitalized at 375 million dollars, or 25 percent of the total estimated investment of 1.5 billion dollars. If the refinery is a success, Yukong hopes to build a plant to manufacture petrochemical products with the naphtha it produces.

SINOPEC and Yukong will put up 60 percent and 40 percent of the capital, respectively, and borrow other funds on the international financial market using the refinery as collateral, the spokesman said.

Of the petrochemical products, 80 percent will be sold in China and 20 percent exported to Southeast Asia.

Ssangyong To Cooperate With Japanese Manufacturer

SK0401025094 Seoul YONHAP in English 0156 GMT 4 Jan 94

[Text] Tokyo, Jan. 4 (YONHAP)—Ssangyong Cement Industrial Co. and Japanese cement maker Onoda Co. have agreed to cooperate in technology development and sales, a leading economic newspaper reported Tuesday.

It is the first time the firms, the largest cement companies in their countries, have agreed to cooperate, the NIHON KEIZAI SHIMBUN said.

They will sign an agreement on technology cooperation in April and expand cooperation in supplying and selling cement within a few years, the paper said.

In addition, personnel exchanges, joint development of cement production technology, invention of new materials and recycling of industrial waste will be done using each other's licenses.

Onoda will supply cement to Ssangyong subsidiaries in Japan and the companies will seek joint advancement in Southeast Asia.

Ssangyong has a capacity of 15 million tons of cement a year and Onoda of 18 million tons, giving them combined the largest cement capacity in the world, a Ssangyong official said.

President Assures Industry Free Activity

SK0501100894 Seoul YONHAP in English 0936 GMT 5 Jan 94

[Text] Seoul, Jan. 5 (YONHAP)—President Kim Yong-sam said on Wednesday afternoon that his government will manage state affairs this year with an emphasis on economy.

"We will turn the challenges of internationalization and opening into an opportunity for us to build up our international competitiveness and carry on the new five-year economic plan consistently," the president said.

Noting that a silent economic revolution is sweeping the world, President Kim said only capable countries and industries can survive in the whirlwind.

The president was speaking at a new year reception hosted by the Korean Chamber of Commerce and Industry at the Sejong Cultural Center.

He said he would keep by all means the promise to make South Korea a country most ideal for industrial activities. "The government in its part will assure industries their free business activities to the most possible extent," Kim said.

Calling on industries to invest now, the president said that only those industries that make bold investment now braving a little uncertainty can survive.

He said the Korean economy has visibly improved since the third quarter of 1993 and is now in the stage of recovery, adding that trade has recorded a surplus for the first time in four years.

"Since this year would become a significant period in deciding the fate of Korea in the 21st century, we must cope with all challenges lying ahead [of] us with firm confidence," President Kim said.

Foreign Ministry To Reorganize 'Drastically'

*SK0501075294 Seoul TONG-A ILBO in Korean
5 Jan 94 p 1*

[Text] It was learned on 4 December that the Foreign Ministry plans to drastically reorganize its structure, so that a new Diplomatic Intelligence Bureau for the systematic management of industry and technological intelligence on advanced nations and a new Science and Environment Bureau is established.

With a view to enhancing efficiency in personnel management, the Foreign Ministry also plans to degrade 17 of 47 vice minister-level special first-class grade officials to a lower first-class grade, and to readjust its overseas missions.

The Foreign Ministry will readjust the diplomatic organizational network that was established at random in an era of confrontational diplomacy between the North and the South. It will close down some of its missions in Africa, Latin America, the Middle East and Eastern Europe and augment others to carry out additional functions.

Assistant-Minister-Level Officials Reshuffled

*SK0501081394 Seoul YONHAP in English 0722 GMT
5 Jan 94*

[Text] Seoul, Jan. 5 (YONHAP)—Deputy Forestry Administrator Pak Sang-u was named first assistant agriculture, forestry, and fisheries minister and Chief Judge of the National Tax Tribunal Yi Kun-yong was named assistant finance minister for tax affairs in a reshuffle Wednesday.

Assistant First State Minister for Political Affairs An Kyong-chin and Second State Minister for Political Affairs Chong Chin-yong changed places as a result of the recent discovery that An is a brother-in-law of First State Minister for Political Affairs So Chong-won.

An, who is seven years older than his new boss, married So's elder sister while he was in the Home Affairs Ministry. So was then studying politics and diplomacy at Chungang University.

Born in Wonju, Kangwon Province, An served as deputy governor of Kangwon and director-general of the civil defense headquarters before settling in at the Ministry of Political Affairs I in 1991.

He said he had never dreamed his brother-in-law, a Democratic Liberal Party lawmaker and close aide to President Kim Yong-sam, would become his superior.

The "too-close-for-comfort" partnership lasted 15 days, until An was made to change seats with Chong of the Ministry of Political Affairs II on Wednesday.

"Never was there a case when brothers-in-law worked in the same office with the superiority order reversed," a ministry official noted, adding that although An had reason to be uncomfortable he did not show it.

Former Minister Cleared in Arms Fraud Case

*SK0501074494 Seoul YONHAP in English 0623 GMT
5 Jan 94*

[Text] Seoul, Jan. 5 (YONHAP)—Former Defense Minister Kwon Yong-hae and Former Defense Security Commander Kim To-yun have been cleared of suspicion in the 6.7 million-U.S.-dollar arms scam on the basis of their statements, the joint military-prosecution investigative team said Wednesday.

The team found no evidence of a cover-up or connivance at the fraud in its questioning of the two former defense officials Tuesday night, a team spokesman said.

Kwon told investigators that he first received a report on the scam from his law officer on July 28, and then from the defense logistics agency director on Aug. 6, which agreed with statements given by others, the spokesman said.

Kim said that he did not forward a July 23 report on the scam from his man attached to the Defense Ministry to Minister Kwon because Kwon was supposed to receive the report from his law officer and the Defense Logistics Agency director, which the team spokesman said cleared him of the suspicion that he had hidden the fraud from the defense minister.

There is no evidence that the Defense Ministry leadership tried to cover up the case, he said, the swindle involved only French arms dealer Jean-Rene Fuan and his Korean agent, Chu Kwang-yong.

Not cleared, however, is Yang Kyu-sok, 45, operations officer of United Shipping Co., who was arrested on charges of issuing a phoney bill of lading to Chu in return for a 5 million-won bribe.

Yang is charged with forging a bill of lading issued by Dutch shipping firm shipcraft for shipment of 40,000 rounds of 90mm recoilless rifle ammunition worth 1.3 billion won. On the strength of this forged shipping document, Chu and fuan withdrew payment for the non-existent ammunition from the Korea Exchange Bank's Paris Branch in April 1991.

Shortage of Inspectors for Agricultural Imports*SK0401145994 Seoul KBS-1 Television Network in Korean 1235 GMT 4 Jan 94*

[Text] There is a shortage of personnel at quarantine stations responsible for the examination of agricultural chemicals in imported foodstuffs. In particular, the examination functions have been divided between the Ministry of Health and Social Affairs and the Ministry of Agriculture and Fisheries, and effective examinations have not been conducted. Reporter Hwang Song-su reports:

[Begin Hwang Song-su recording] These are imported farm products waiting for clearance in a bonded warehouse in Incheon port [video shows various farm products]. Approximately 7,600 kinds of farming products were cleared through the Incheon quarantine station last year, up 25 percent compared with 1992. [end recording]

[Begin Incheon quarantine port official Kim Sung-kyom recording] Most farm products have been imported from China. We cannot conduct thorough examinations of agricultural chemicals in imported foodstuffs. Thus, we are in a position of looking into 10 or 20 boxes at most a day to examine for agricultural chemicals. [end recording]

[Begin Hwang recording] To effectively quarantine the increased number of agricultural and stockbreeding products that will start with the import-opening era, the Ministry of Health and Social Affairs will expand from 38 to 105 the number of agricultural products that will require examination for agricultural chemicals. In particular, to cope with imported agricultural products, the Ministry of Health and Social Affairs will increase from 24 to 58 the number of grains, including rice, that will be required to be examined. However, there are only 7 inspectors at Incheon quarantine port out of a total of 37 called for. The situation is the same at other quarantine stations. [end recording]

[Begin recording of Yi Chae-kwan, section chief of foodstuffs circulation department under the Ministry of Health and Social Affairs] We have demanded that the number of personnel in charge of close examination be increased to 265. The Ministry of Government Administration is now considering the personnel increase. We judge that if the number of personnel is increased, control of all imported foodstuffs will be properly examined. [end recording]

[Begin Hwang recording] In particular, quarantine functions in our country have been divided. That is, the national quarantine station affiliated with the Ministry of Health and Social Affairs conducts the sanitary examination of imported agricultural and stockbreeding products. The animal quarantine station and plant quarantine station affiliated with the Ministry of Agriculture and Fisheries have conducted quarantine tasks. Effective examination has not been conducted. [end recording]

Apple, Microsoft Compatible Notebook PC Created*SK0501042294 Seoul YONHAP in English 0229 GMT 5 Jan 94*

[Text] Seoul, Jan. 5 (YONHAP)—Korean scientists have developed the first notebook computer to run both Apple and Microsoft Operating Systems, according to the Science and Technology Ministry Tuesday.

Newtech Z II, a private computer research institute, built the dual-microprocessor, dual-Operating System (O/S) Notebook in a state-promoted "medium-tech" project over five months at a cost of 1.2 billion won (1.4 million U.S. dollars), of which 750 million won was put up by the ministry.

The world personal computer market is mostly divided between IBM and IBM-compatible microcomputers and Apple microcomputers, and attempts have long been made to make the two compatible.

"Computer users can now have an IBM PC and Macintosh O/S on the same computer," institute President Chong Chan-ik told reporters.

The notebook has both an Intel 486-DX CPU (Central Processing Unit) and a Motorola 68030 CPU, which work together through four home-grown chips.

The institute will complete a prototype by end of January for introduction at an international computer show in Hannover, Germany, in March.

Production of the dual O/S Notebooks is due to begin in June to export 100,000 units, Chong said.

Country To Increase 16 M-Dram Exports in 1994*SK0501021494 Seoul YONHAP in English 0131 GMT 5 Jan 94*

[Text] Seoul, Jan. 5 (YONHAP)—South Korea's semiconductor industry, which soared on the wings of 4 megabyte-dynamic random access memory [dram] chips last year, will switch its production lines over to 16 M-dram chips this year. The big three—Samsung Electronics Co., Goldstar Electron, and Hyundai Electronics Ind. Co.—will complete facility improvements by June and expect 16 M-dram chips to completely replace 4 M-dram chips on the world market this year. A 16 M-dram is a high value-added product with an export price of 70 U.S. dollars compared with a 12 dollars for a 4 M-dram chip.

Samsung began mass production of 16 M-dram chips last year and exported 1 million in December, but it will expand the production line to increase capacity to 6 million chips a month. Samsung, already ahead of Japanese semiconductor makers in mass production, says that it expects to supply about 30 percent of the world demand for the 16 M-dram chips this year.

Goldstar will invest 500 billion won (618.8 million U.S. dollars) in its 16 M-dram production line, which it plans to have turning out 2 million chips a month from June, while Hyundai will put 800 million won into construction of a plant to produce up to 4 million chips a month from April.

An official at the Trade, Industry and Energy Ministry said on Wednesday that he expected Korea's semiconductor exports to reach 10 billion dollars this year.

"In the third quarter of the year, exports of 4 M-dram and 16 M-dram chips will be about equal in quantity, but most Korean semiconductor exports will be 16 M-dram chips by the end of the year," he said.

Country Reported To Receive Most New Ship Orders

*SK0501070594 Seoul YONHAP in English 0443 GMT
5 Jan 94*

[Text] Tokyo, Jan. 5 (YONHAP)—South Korea received the most orders for new ships last year, surpassing Japan for the first time, the NIHON KEIZAI SHIMBUN reported Wednesday.

Korea received orders for 9 million tons of shipping, or 40 percent of the world's total of 20 million tons, compared to 6.5 million tons, or 32 percent, for Japan, the economic daily said. But Japan was first for the 37th consecutive year in volume of ships built at about 7.5 million tons, compared with 4.5 million to 5 million tons for Korea.

According to Lloyd's register of shipbuilding, Korea began its climb to the top with 5.73 million tons of orders in 1990, when it surpassed 5 million tons for the first time.

The newspaper attributed Korea's jump in volume of orders to the strong Japanese yen and weak Korean won,

which enabled Korean yards to rapidly increase orders for ships to be completed in one or two years.

The Japanese Shipbuilders' Association said that Japan will retain first place in actual volume of ships built because it has much more capacity than Korea.

1993 Overseas Construction Orders Reported

*SK0401011894 Seoul YONHAP in English 0049 GMT
4 Jan 94*

[Text] Seoul, Jan. 4 (YONHAP)—South Korean construction companies gained 96 overseas orders worth 5.11 billion U.S. dollars last year, up 83.9 percent from 74 worth 2.78 billion dollars in 1992, the Construction Ministry said Tuesday.

The rise was caused by governmental and industrial efforts to diversify markets and to open new markets in former and current communist countries and Southwest Asia, according to the ministry.

Southeast Asian countries placed orders worth a total of 2.58 billion dollars, or 50 percent of the overseas orders, followed by Middle Eastern nations at 1.81 billion dollars, up 319 percent from 1992.

Former and present communist countries such as Russia and Vietnam placed orders of 684 million dollars.

Engineering work accounted for 2.31 billion dollars, or 45 percent, and construction work for 1.62 billion dollars.

By company, Hyundai Engineering and Construction Co. ranked first at 1.3 billion dollars, followed by Dong Ah Construction Co. at 1.19 billion dollars and Daewoo Engineering Co. at 628 million dollars.

Major contracts include Hyundai engineering's airport expansion in Singapore and Indonesia, Daewoo's hydroelectric power plant in Laos and Hyundai heavy's undersea oil pipeline in India.

Cambodia

Royalists, Khmer Rouge May Meet in Surin 8 Jan

BK0501132094 Hong Kong AFP in English 1308 GMT 5 Jan 94

[Text] ARANYAPRATHET, Thailand, Jan 5 (AFP)—Cambodian royalist and Khmer Rouge representatives plan to meet in the Thai town of Surin on Saturday [8 January] to discuss peace moves, a ranking Thai military official said here Wednesday.

He said that Lieutenant General Chea Savan, secretary to co-chief of staff Ke Kimyan, would represent the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and General Ta Mok would represent the Khmer Rouge. No independent confirmation was immediately available.

The official said the planned meeting would follow secret talks in Bangkok between the two sides, who were once allies in a coalition against the Phnom Penh government set up by Vietnam.

There was no indication of participation by a member of the Cambodian People's Party (CPP) which shares power in Phnom Penh with FUNCINPEC following May elections. The Khmer Rouge, which boycotted the elections, was understood to have offered a ceasefire in exchange for posts in the Phnom Penh government.

Meanwhile, both the Cambodian government and the Khmer Rouge continued to bring up reinforcements into western Cambodia where three days of fighting at the New Year left almost 50 dead, the Thai military said.

A trader arriving in the Thai border town of Aranyaprathet Wednesday said he had seen long lines of military trucks carrying arms on the 150-kilometer (90-mile) highway from Battambang toward Poipet, especially around Sisophon. Both sides were taking advantage of a two-day ceasefire Wednesday and Thursday arranged by Thailand so that Thai troops could help farmers to bring the rice crop in from the fields, military officials said.

Late Wednesday afternoon, border patrol police reported one shell landed on the Thai side of the border but said there was no damage. There was no indication of significant clashes on the Cambodian side.

In Poipet, Cambodian government Brigadier General Em Saray said he had been ordered to launch an offensive against the Khmer Rouge in late December. He said he was awaiting fresh orders related to political developments as well as supplies of ammunition.

Khmer Rouge Shelling Kills 100 Near Border

BK0501091194 Bangkok NAEON in Thai 5 Jan 94 p 9

[Text] At about 1300 on 4 January, the 450th Division of the Khmer Rouge based at Phum Thmei, which is situated opposite Thailand's Ban Khlong Nam Sai,

Aranyaprathet District, Sa Kaeo Province, from Hill 25 fired 30 shells at the base of a Cambodian Government intelligence unit at Phum Sre Khcheay. The shelling resulted in over the deaths of 100 Cambodians and Cambodian Government soldiers, as well as many casualties. The site is about 13 km from the Thai border. The Khmer Rouge division seized Hill 25 on 2 January.

The Khmer Rouge shelling took place as Prime Minister Chuan Likphai was visiting fire victims in Aranyaprathet District.

Cambodian Government forces are reportedly preparing to launch a campaign to retake Hill 25, which is near Thailand's Laem Nong Ian, Tambon Tha Kham, Aranyaprathet District.

Editorial Berates SRV, 'Half-Breed' Government

BK0201101594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 1 Jan 94

[Editorial: "The Vietnamese Communists Have Transported Ammunition and Tanks from Ho Chi Minh City to Phnom Penh Through the Mekong River To Continue Kindling the Vietnamese War of Aggression Against Cambodia"]

[Text] According to reliable sources, 20 to 30 tanks and 300 tons of assorted ammunition were transported from Ho Chi Minh City to Phnom Penh via the Mekong River. This is the plan of the aggressor Vietnamese communists, Vietnamese puppets, and their allies to continue fomenting the war in Cambodia in opposition to peace and the king's national reconciliation.

In fact, the two-heads-three-eyes government has no money to buy tanks, arms, and ammunition to continue the war. This is possible because the allies have given the money to buy Vietnam's ammunition and arms provided it by the former Soviet Union. Moreover, Vietnam wants to continue the war in Cambodia in line with its aggressive, annexationist, expansionist, and racial extermination strategy against Cambodia. Thus, (?Russia) is also the one who sells this ammunition, and the allies are the paymaster.

Various observers said that it is not the two-heads-three-eyes government but the Vietnamese communists and their allies who are managing Cambodia's current state affairs. In the two-headed government, the Vietnamese puppet administration set up since 1979 is controlling the countryside by 100 percent and 99 percent of the Phnom Penh authorities who are always ready to follow their boss' order.

The question is: Can the continuation of war by the Vietnamese communists solve anything?

1. The Vietnamese communists waged war for 13 years by themselves with the full support from former Eastern Europe bloc and former Soviet Union in an attempt to

eliminate the Cambodian nation and people so that only the Vietnamese and Vietnamese puppets are left in Cambodia, but they were shamefully defeated by the Cambodian people.

2. After the Paris agreement was signed, the Vietnamese and their allies inside and outside UNTAC [UN Transitional Authority in Cambodia] jointly carried on the war for the whole two dry seasons and two rainy seasons that followed. They maintained and used the old and new communist Vietnamese troops and maintained all Vietnamese puppet military and civilian authorities. UNTAC spent almost all of the 2 billion dollars in attacking Democratic Kampuchea. Both the Vietnamese communists and their allies tried very hard, particularly on the battlefield, to create an administration made up of the Vietnamese communist half-breed and Eurasians in Cambodia.

At present, this half-breed government is born. That is, it has two heads and three eyes. But actually, it has a pure Vietnamese body formed by Vietnam since 1979.

The people said that there has never been any government that has two heads and three eyes in the history of Cambodia and that of the world. It is very villainous and ill-fated. Only a few months after its birth, it has brought calamity to the country. The nation and society have plunged into serious disasters in all fields and all aspects. The people both in rural and urban areas, students, pupils, civil servants, and teachers are revolting against the parliament and the two-head-three-eyes government. They are opposing the Vietnamese communist administrators even more violently everywhere. The people want only a government and a national administration that come from the national reconciliation policy of King Norodom Sihanouk.

In a situation in which the national trend and Cambodian people are very furious with the two-heads-three-eyes government and supporting the king's national reconciliation policy, will it be possible for the aggressor Vietnamese communists, their allies, and their puppets to carry on war and suppress the movement of the Cambodian nation and people with the weapons that they have just brought in?

The history of the Cambodian nation clearly emphasizes this fact to the communist Vietnamese enemy and its the allies. In fact, the entire Cambodian nation and people oppose the two-headed government, Vietnam, and the allies. The overwhelming majority of the puppet and Para soldiers [Son Sann's group] do not want to fight any longer. Therefore, can the weapons of the Vietnamese and their allies fight by themselves when the people from all social strata, particularly the rural people, absolutely oppose them and are tightening the noose around their neck.

This fact has been and is being confirmed by history. Desiring to kill a nation and people who fight for their national survival is not an illusion. Just take a look at the Cambodian countryside and at present-day Phnom

Penh. Just take a look at Somalia, former Soviet Union, the Middle East, former East Europe, and present-day Africa.

Indonesia

Minister: Criticism Must Not Undermine Stability

BK0401113194 Jakarta THE JAKARTA POST in English 22 Dec 93 p 1

[Excerpts] Jakarta (JP)—Minister/State Secretary Murdiono said yesterday that criticism directed against the government should not undermine the nation's stability.

In his first public comment about President Suharto's strong criticism of recent demands for greater individual freedom, Murdiono said no one should take stability for granted.

"Stability is not a self-made product and must not be taken for granted," he said.

"It is our collective responsibility to maintain the nation's dynamic stability," he told reporters after addressing a seminar on the cultural aspects of Indonesia's second long term development program yesterday. [passage omitted]

"I think the essence of the President's statement is that criticisms and statements must not undermine national stability," Murdiono continued.

"You must remember that what the President actually said was that their methods resembled the PKI's," he said when asked about the comparison.

The specter of the PKI, which was crushed and outlawed in 1966 after a failed coup attempt the previous year, has often been raised in discussions about possible threats to national stability.

Murdiono in his paper at the seminar said that national stability ultimately depends on greater public participation in the nation's economic political and cultural development.

"Greater public participation will expand the state's political basis. This, will in turn enhance national stability," he said.

Murdiono acknowledged however that governing was not always a smooth process. "It is not realistic to expect a society to be free of frictions and conflicts."

He suggested that some kind of a limit be imposed on how far these conflicts could be tolerated that does not lead towards destruction. "To ensure that differences of opinion remain as constructive as possible, we should set a limit on the maximum conflict allowable."

Murdiono said the "limit" would vary according to the situation.

"This limit must be formulated and agreed upon collectively. It must be dynamic and dependent on both the society's development and the ability of the state apparatus to control the situation," he said. [passage omitted]

Twenty-one students are currently being detained for staging a demonstration in Jakarta last week. They are likely to be charged with defaming President Suharto an offense punishable by up to six years in jail, the police said. [passage omitted]

Minister Backs Move on Dialogue With Students

BK0501050794 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 Jan 94

[Text] Education and Culture Minister Wardiman Joyonegoro has supported a plan initiated by ABRI [Indonesian Armed Forces] for an increased dialogue with university students so as to cope with protest rallies, which are likely to take place this year. He added that the government has always supported moves involving members of the public in an effort to improve the quality of education. The minister made the remarks to reporters in Jakarta yesterday in response to the ABRI's plan to hold discussions with students from several universities.

Earlier, Major General Muzani Syukur, commander of the Siliwangi Regional Military Command, said ABRI would hold persuasive discussions with university students in his jurisdiction. The discussions are aimed at preventing protest rallies from taking place this year. The move to hold discussions with the students is part of a package stressing the importance of upholding the law and making the students have a better understanding of national unity.

Lawyers Review 1993 Human Rights Infractions

BK0501112394 Jakarta THE JAKARTA POST in English 28 Dec 93 p 1

[Text] Jakarta (JP)—The observation of human rights in Indonesia this year has been poor.

The Indonesian Bar Association (Ikadin) in its assessment of legal sector development in the past 12 months found much lacking.

"Ikadin sees an erosion in the way human rights were respected, as exemplified by limitations and violations of the rights to associate and to express opinions and of the principles of democracy," the organization announced yesterday.

The statement cited the arrests and prosecution of students for staging demonstrations as a clear violation of the principles of democracy, especially the rights to express opinions and to have different views, which are guaranteed by the constitution.

The police are currently detaining 21 students and a human rights activist, who will be charged with insulting President Suharto, an offense punishable with six years imprisonment.

Ikadin noted that the authorities have detained a number of people without going through the proper procedures as required by the Criminal Code, and this, it said "is one reason for the decline in the integrity of the law."

Ikadin did not give any examples, but the authorities came under strong criticism, when in October, they detained nine men accused of murdering labor activist Marsinah. The case has become highly political.

The warrants for their arrests were not issued until after pressures from relatives, lawyers and wide media exposure made it all but impossible to delay doing so further.

Ikadin deplored the use of violence and intimidation against people who were defending their land and other legitimate rights. "These represented violation of the most fundamental human rights."

There have been a series of incidents pitting the authorities against the local people in land disputes. Most notable was the one in Nipah, on Madura Island, in September, which left four people dead. The military leadership was quick to remove three local officers, who were considered directly responsible for the incident.

The lawyers' association also deplored the bureaucratic obstacles imposed by the authorities for people holding gatherings, congresses, seminars and even anniversaries, all of which can only be held with permission.

Ikadin also noted a series of government bans, prohibiting certain people from appearing before academic seminars. "This is alone a form of suppression of the principle of campus freedom."

Leading human rights lawyer Adnan Buyung Nasution was banned from appearing before two seminars this month and noted poet W.S. Rendra also suffered the same fate earlier on.

The statement, which was the result of a year-end meeting, was signed by Ikadin's chairman, Harjono Citrosobono, and its Secretary-General, Johan Jauhary.

Also taking part in the year-end Ikadin meeting held last week were E.J. Kanter, Sukarjo Adijoyo, Alie Amangku, Kitty Sugondo, Frans H. Winarta, Abdul Hakim Garuda Nusantara and Luhut M.P. Pangaribuan.

Bishop Discusses Human Rights, Democratization

BK0401130194 Jakarta THE JAKARTA POST in English 24 Dec 93 p 5

["Excerpt" of interview with Monsignor Carlos Filipe Ximenes Belo, bishop of East Timor, by correspondent Yacob Herin in Dili; date not given]

[Excerpt] **Question:** *During your trip to Australia, did you pass on any message to the Catholic people there?*

Answer: First of all I appealed to them to remain Catholics. I know that many of them have quit going to church. In modern Australian life, people tend to forget about God. Secondly, I reminded them of the values of reconciliation, of redemption, unity, solidarity and mutual forgiveness.

Were the Australian people still talking about the human rights situation in our country?

Yes. They talk about it every day. They would rather I talk about that than about seminary matters. In the United States and Canada, it was the same. I got upset over there as I had not come to discuss human rights. My top priority was establishing the seminary. But the same question came up again and again, so when we were in Canada, the priest who was escorting us suggested that I talk a little bit about human rights so that the congregation would be inclined to donate funds (*the bishop said this as a humorous aside*).

So, as far as I was concerned, I did not go there for human rights. In Australia, to those who asked the questions I replied: "You already know it all."

Whatever happens over here, they will learn about it over there. It happens here in the morning, in the afternoon everybody knows about it over there. So, there is no point in trying to hide what happens over here. Although we can exercise censorship on the press, on the television, and although we have here sophisticated means to filter news, everybody will find out.

Were the Australians still asking about the November 12, 1991, incident?

Oh, a lot was asked about it. It was a big joke in the cathedral as well as among the Australian press. But I told them I did not come for that topic. I respect those who have passed away, I pray for them, and I pray that such a thing will never happen again. What is important to me now is the future. I would like to forget the incident, learn from what has happened, prepare our young generation, and hope that this will never happen again. My mission is to build a young generation with no internal conflicts and suspicion.

Although these kind of things are taboos and they are not supposed to be discussed in public, in those countries it is an everyday issue.

So, the main problem is, in today's world we cannot hide anything. With the globalization we have now, we cannot hide anything from the world. Domestically we can suppress news, but not internationally.

What is your opinion about the situation in and the condition of East Timor today?

My impression is, the people are not 100 percent at ease yet. Not yet. Problems that emerge are usually prompted

by problems of economy, social justice, and job opportunity. All of them. So, let us pay more attention to the people. Let us have more dialogues.

Security in East Timor has been achieved. In order to complement it, perhaps we need to foster more civilian diplomacy. What do you think about this?

Diplomacy can involve everybody: the military, civilians, the bishop, the pope, well...everybody.

Lately, we have seen a growing push for democratization in every aspect of our lives. What is your opinion?

Well, hopefully that is true. Hopefully the people have opened their eyes and their minds so that they can participate in the process and participate in the openness. If they have opinions and views to express, they should express them openly. Otherwise, we will become a backward nation, still feudalistic, still authoritarian.

Suppose that the democratization forces are genuine, does it mean that repressive practices should be reduced?

There should be courage to do that, yes, and I can see it. When I was still in Portugal, we had a fascist regime. Then a revolution broke out. Those from the military refused to step down at that time due to their vested interests. However, the time was for democratization in Portugal, so all of them eventually fell.

But that was OK. There should be input from all sides, from the press, from the people themselves. Groups should be brave enough not to keep on defending their own interests. In the Portuguese language, we have the word *tacho*; it connotes a person who has achieved a good position, has accumulated a lot of wealth, but then defends his personal interests as if on behalf of national and state interests or the necessity to defend the country.

Do you have anything to say to those who have opened their eyes and who have been participating in the democratization efforts?

Well... I call for them to be more courageous in pushing for democratization in the country. I know on campuses students have become more outspoken. It serves no purpose but to educate the people to be more mature in various aspects, such as the economy, politics, culture and so on.

Do you think that what has been taking place on campuses is a reflection of progress in the democratization efforts?

Well, at least there are differences in opinion, and there is the courage to state them. Could you imagine if we had to live in a society with no courage and no initiative...? Hopefully those students will become crusaders in the future. Not only those students, but our intellectuals, too.

In the efforts to bring about democracy?

Yes.

What is your expectation of the newly set up National Commission of Human Rights?

Let us give them some time. Let us wait and see how they accommodate the people's aspirations. Only then can we make comments.

Let us move to another topic now. It appears that local people have been asking for more opportunity to play a bigger role on the political stage. Does this mean that their understanding of politics has reached an advanced level?

I once made my comment on that. Ready or not, they should be given enough opportunity. We have been wondering, when will they be allowed to lead their own communities? Not yet ready, not yet stable, not yet prepared, these are always the excuses for not letting them do it. Consequently, the people are being treated like a baby who is deprived of the opportunity to develop psychologically. A baby, or a teenager for that matter should develop in all sorts of difficulty, although he may have to be guided all the time. [passage omitted on culture]

Commander: Visitors No Longer Incite Timorese

BK0501104394 Jakarta THE JAKARTA POST in English 28 Dec 93 p 2

[Text] Dili, East Timor (JP)—The visit to East Timor of a former Portuguese general and an exiled leader of the Fretilin [Revolutionary Front for an Independent East Timor] separatist movement next week should not rekindle aspirations for Portuguese support, a military official said.

"The situation in East Timor is now different from the past. I do not think the former Fretilin president or whoever wants to visit there will ever be able to agitate the people," Major General Theo Syafei told reporters in Denpasar, Bali.

Theo heads the Udayana Military Command which oversees security in Bali, East and West Nusa Tenggara and East Timor.

Theo said the visit of former Fretilin leader Rogerio Lobato and former Portuguese general Galvao de Melo will prove that Indonesia has nothing to hide in East Timor.

That also applies to the condition of remaining Fretilin members, he said, adding that the armed separatist movement no longer poses any serious threat to security in East Timor.

Fretilin has been waging a guerrilla war since the decision of the majority of East Timorese to integrate with Indonesia in 1976. It was dealt with a severe blow when its commander, Jose Alexandre "Xanana" Gusmao was arrested in November 1991.

Many Fretilin leaders have found sanctuary in Portugal, their former colonizer.

Indonesia and Portugal are still negotiating, under the UN auspices, to settle the East Timor question. The world body still regards Lisbon as the administering power of East Timor.

Theo said that from the visit, East Timorese opposing the integration will see for themselves that the Portuguese support the rebels have been counting on all this time is nothing but hollow dreams.

On the question of East Timorese who want to go home after nearly 20 years in exile, Theo said they will have difficulties if they want to obtain Indonesian citizenship.

"And if they only want to come to create disturbances in East Timor or to rekindle anti-integration sentiment they will have to face the military," he warned.

Theo accused East Timorese who have spread negative information about Indonesia's rule in the province of having neglected the truth for their own personal gains.

Lopes da Cruz, Indonesia's special ambassador for East Timor, said earlier that Lobato and de Melo are expected to visit Indonesia beginning on January 4.

The visit follows a meeting earlier this month near London, where a pro-Indonesian delegation led by da Cruz met Timorese exiles for the first time since the integration.

"You could say this (visit) is part of Indonesia's confidence-building measures, but we want to emphasize these are non-political meetings," da Cruz said.

Lopes da Cruz said Lobato's visit to Jakarta will be the first such trip by a Timorese in exile to Indonesia.

He said de Melo will visit Dili but Lobato has yet to decide if he will.

Lobato served as minister of defense during Fretilin's brief rule in 1975.

De Melo is a leader of the newly-formed Portugal-Indonesia Friendship Association, whose founder, businessman Manuel Macedo visited Indonesia in a much publicized trip in August.

Indonesian officials have said they hope the Friendship Association will help re-open diplomatic ties between Lisbon and Jakarta.

The Portuguese daily EXPRESSO earlier this month said Lisbon has rejected a UN proposal that the two countries install diplomats in third-party embassies in each other's countries.

Editorial on Armed Forces Commitment to 'Openness'

BK0401122994 Jakarta THE JAKARTA POST in English 22 Dec 93 p 4

[Editorial: "No Stepping Back"]

[Text] The initial concern that the gate of openness would be shut temporarily following President Suharto's stern warning the other day that certain elements in society have used communist techniques in forwarding their demands now seems to be groundless. The Armed Forces (ABRI) spokesman, Brigadier General Syarwan Hamid assured in a written announcement yesterday that ABRI will stick to its commitment to continue to uphold the policy of openness.

"There is no reason to step back. If openness recedes, it means that ABRI's dual function is failing," Syarwan Hamid said. He explained that the wave of criticism and demands surging as of late was a logical consequence of the policy of openness. In general, he said, the aspirations expressed are tolerable since they have come from a sincere wish to improve the situation.

However, he pointed out that there is a small group of people using methods inappropriate to our political culture, which focus on highly sensitive issues. In such cases, Syarwan said, ABRI will not tolerate their actions. "We know them well enough since it is always a group comprising the same people," he said.

Syarwan appealed to the public not to force ABRI to use repressive means. "There is a limit to everything, and at a certain point ABRI cannot turn back."

Therefore, he suggested that all parties apply wisdom and conscience in restraining themselves. "But on the whole, ABRI is committed to not stepping back from the openness policy. We are also prepared for any consequences of the policy. We are also committed to our role of *tut wuri handayani* (following while providing guidance)," he said.

In summing up, Syarwan Hamid's statement feels like a fresh breeze—the kind of relief one might wish for at a desperate moment. From the statement, one not only derives the desired assurance, but feels that the words contain wisdom and sincerity as well.

Many of us may remember how a few weeks ago, a statement from Major General Sembiring Meliala caused an uproar when he hinted that ABRI was not happy at taking a back seat role—*tut wuri handayani*—which results from new directives outlined by President Suharto several months ago. Sembiring later explained that his statement was misunderstood. However that may be, many people continued to believe that somehow it reflected the majority feeling in ABRI.

Now, with his statement, Syarwan Hamid has indirectly assured the public that this view is untrue.

Frankly speaking, there is nothing wrong with ABRI's new role. From any possible point of view, ABRI will remain the backbone of our national stability. In the context of its dual function, apparently the time has come for ABRI to switch its role from that of a stabilizing agent to that of a dynamizing one. And to dynamize the country and the nation, ABRI is to stay at

the back and from that position help to push forward the nation's democratization process. And openness is an inherent part of that process.

Thus, we heartily welcome Syarwan Hamid's statement. But we must also underline his point that all of us should exercise wisdom and restraint at all times. We have come this far and we surely do not want to go back into the black hole we were in before. Ahead of us we can see a shining bright future. And only if we join hands can we be sure to reach it.

As for the "small group" of people Syarwan referred to, such groups can be found in any society. We should deal with them wisely since, after all, they are a part of us and in a way those "angry young men" may serve as vanguards of our conscience. And in this mad, mad world, maintaining and protecting our integrity and our conscience is perhaps the most difficult task of all.

Suharto Discusses Investment With UK Official

*BK0401101594 Jakarta Radio Republik Indonesia
Network in Indonesian 0600 GMT 4 Jan 94*

[Text] President Suharto held talks on trade and investment in Indonesia this morning with Kenneth Clarke, visiting British chancellor of the exchequer, at Jakarta's Bina Graha presidential office.

Speaking to reporters after the meeting, the British minister quoted President Suharto as requesting Britain's assistance in implementing Indonesia's development projects, including the construction of railway tracks, expressways, liquefied natural gas terminals, and telecommunications facilities. The British minister agreed to comply with the request and said he would urge British companies to invest in Indonesia in order to fulfill the president's wish. With investments totaling about \$2 billion, Britain is now the largest European investor and the third largest foreign investor in Indonesia. He noted that Britain is now involved in the construction of railway tracks linking Jakarta and Banten, which will allow for a 10-fold increase in the transportation of coal from Sumatera and Java. The minister also expressed his readiness to provide assistance in the construction of double railway tracks between Jakarta and Surabaya if the Indonesian Government so desires.

Also present during the talks were Saleh Afiff, state minister for development supervision and chairman of the National Development Planning Agency, and the British ambassador to Indonesia. President Suharto, in his capacity as chairman of the Nonaligned Movement, and Kenneth Clarke, in his capacity as a minister of a G-7 country, also discussed G-7 economic assistance to Nonaligned Movement members.

Finance Minister on Impact of GATT Accord

BK0401110394 Jakarta THE JAKARTA POST in English 22 Dec 93 p 1

[Excerpts] Jakarta (JP)—Minister of Finance Mar'ie Muhammad says last week's GATT agreements require Indonesia to make structural and perhaps, even institutional adjustments to remain competitive in an increasingly free, open multilateral trading system.

"We are required to phase out non-tariff barriers and to reduce our import tariffs further," Mar'ie told attendants of the last session of a two day seminar yesterday.

The gathering was discussing the opportunities and challenges of Indonesian development within the next 2 years.

The minister said Indonesia has no other option but to make concerted efforts to strengthen the competitive edge of its products in terms of both prices and quality.

Mar'ie cited the stronger tendency towards a free open multilateral trading system as one of three major trends the country will face in the second stage of its long term, 25-year development program beginning in April.

"Economic and political issues will also be more intensively inter-linked," he added, citing another outstanding trend expected during the next 25 years.

The problem, according to Mar'ie, is how to reconcile the domestic and international parameters or yardsticks for assessing the results of development.

He acknowledged that the international yardsticks of development strongly influenced by the industrialized countries.

But he conceded that in a world that is becoming smaller due to information technology, international yardsticks are unavoidably often used to assess the development of all countries irrespective of the stages of development they are in.

Mar'ie singled out the Asia-Pacific Economic Cooperation (APEC) forum as another development that Indonesia should closely monitor.

"I think APEC will gradually turn from a loose consultation forum into a more solid setting and this will naturally have an impact on our economy," he said.

The two-day seminar, organized by the Yayasan Bina Pembangunan [Development] foundation discussed the political, social, cultural and economic aspects of Indonesian development during the next 25 years. The speakers included three cabinet ministers. [passage omitted]

Referring briefly to the monetary sector, Mar'ie reaffirmed that the depreciation of the rupiah against the dollar will be kept in the range of three percent to five

percent a year and the monetary expansion will be checked at 20 percent a year.

"I am aware that bank lending during the first semester (April-September) of the current fiscal year (1993/1994) has expanded by 14.2 percent. But I think a 20 percent monetary expansion is the most manageable level to fuel economic activities without causing excessive inflationary pressures," Mar'ie said.

Firm To Build Indigenously Designed Aircraft

BK0501084894 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 Jan 94

[Excerpt] The IPTN [Nusantara Aviation Industries] will begin production this year of the N-250 aircraft, powered by turbo-prop engines. The aircraft, suitable for short flights, was designed by Indonesian technicians. Research and Technology Minister B.J. Habibie disclosed this in Jakarta yesterday when he met with the Indonesian ambassadors-designate and consuls general-designate to several countries. The minister said IPTN is planning to produce one N-250 plane every week, adding that IPTN will produce wide-bodied jets by the year 2006. [passage omitted]

Laos**Saravane Province To Face Rice Shortages**

BK0501093394 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 5 Jan 94

[Text] The seasonal rice production on 41,774 hectares of lowland ricefields and 10,206 hectares of highland rice in Saravane Province yielded only 60,000 metric tons of paddy. The figure represents an average of only 1.5 metric tons of paddy per hectare.

With a population of 245,000, the province will face rice shortages possibly from four to five months. Those living in mountainous areas, especially in Ta-oi and Sa-moi Districts, will face a rice shortage for about 10 months.

Agricultural service officials reported that the 1993 provincial paddy production is low at 48 percent less than that of 1992, with natural disasters being blamed as its major cause. Severe drought during the production season damaged about 5,300 hectares of lowland and highland rice growing areas.

Following such low rice production, the local provincial administration have encouraged people to grow dry season cash crops and dry season rice on 169 hectares. The areas with favorable conditions for these crops include 100 hectares in Ta-oi District, 31 in Saravane District, 27 in Khong Sedone District, and 11 in Vapi District. Farmers in areas without favorable conditions, or without irrigation, have been encouraged to raise as many chicken, cows, and other animals as they can to compensate for losses resulting from low production.

Congratulatory Messages to Cuban Counterparts

BK0301145594 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Jan 94

[Text] On 31 December 1993, President Nouhak Phoumsavan and Prime Minister Khamtai Siphandon of the Lao People's Democratic Republic [LPDR] sent a congratulatory message to Cuban President Fidel Castro on the 34th anniversary of the 1 January 1959 Cuban revolution. The message reads:

On behalf of the Lao party, government, and people, we would like to (?extend our congratulations to you), and through you, to the fraternal Cuban party, government, and people. Over the past (?33) years, the Cuban people—under the correct leadership of the Communist Party of Cuba headed by you, Comrade Fidel Castro—have overcome numerous difficulties to win great victories in defending and building the country, especially in (?implementing the restructuring policy) adopted by the 4th Congress of the Communist Party of Cuba. The Cuban people's struggle is an important contribution to the unified struggle undertaken by those who love peace and justice for the sake of national independence, peace, freedom, and (?tranquillity). We are confident that the long-standing fraternal relations, solidarity, and comprehensive cooperation between our two peoples will develop continuously.

On the same occasion, LPDR Foreign Affairs Minister Somsavat Lengsavat sent a congratulatory message to Cuban Foreign Relations Minister Roberto Gonzalez.

Nouhak, Khamtai Send Message to Castro

BK3012073993 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 30 Dec 93

[Text] On 24 December, President Nouhak Phoumsavan and Prime Minister Khamtai Siphandon sent a joint message of thanks to Fidel Castro Ruz, president of the Council of State and the Government of the Republic of Cuba. The telegram reads:

We would like to express our sincere thanks to you for your congratulations and best wishes extended to us on the occasion of the 18th anniversary of the National Day of the Lao People's Democratic Republic. The Lao Government and people highly appreciate your determination to strengthen and develop the relations of friendship and cooperation between the two parties, two governments, and two peoples of Laos and Cuba for the benefit of the two countries, as well as peace and prosperity.

We therefore take this opportunity to wish you good health and success in your leadership.

Philippines

Ramos Discusses Government Priorities for 1994

BK0301105594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 3 Jan 94

[Excerpt] [passage omitted] In a report to the nation during a ceremony at Malacanang, the president revealed his administration's plans for this year. Ramos said that the government's priorities will be enhancing the delivery of services to the public, advancing the peace process, and modernization. Ramos added that the service of government officials will be gauged according to their actions, their ability to solve problems, and the implementation of new programs. Overall, he will give priority to five programs this year.

[Begin Ramos recording in progress, in English] ...further moves against criminality. Five major commitments government will undertake in 1994:

First, we will protect the gains achieved in the peace process so that we can finally put an end to internal armed conflict. As a parallel effort, we will intensify the campaign to uphold the rule of law so that we can reduce to the minimum criminality and corruption, with those in the officialdom, the scalawags in uniform, and row officials as priority targets. We will maintain industrial peace and take better care of our overseas contract workers.

Second, we will institute greater discipline in the management of our fiscal resources through better coordination of policies, programs, and projects. We will focus on the thorough and timely implementation of flagship programs and projects: Streamlining of government operations, enhanced private sector participation by way of various BOT [build-operate-transfer] schemes, and privatization of government projects and facilities, as well as further improvements in the tax effort. We will encourage more private investments by continuing the structural reforms we have started and by making our exports and other industries more globally competitive.

Third, we will provide vital infrastructure support from government in order to mobilize private sector participation. In this way, we will be able to seize more government resources towards the provision of basic services and direct intervention in the reduction of poverty.

Fourth, we will continue to implement our environmental enhancement, conservation, and protection programs to ensure that our development will be sustainable for the benefit of our future generations. This will encompass our land, sea, and air environment, as well as our bio-diverse ecology.

Fifth, we will continue to make the bureaucracy more responsive, more transparent, and more service-oriented. Aside from streamlining our operations, we

will upgrade morale and welfare programs for public servants to increase their productivity and efficiency.
[end recording]

Economic Agreement Signed With PRC Province

BK0401100594 Manila MANILA BULLETIN in English 29 Dec 93 p B-1

[Text] The Philippines and the province of Guangdong, China recently forged an agreement to extend mutual economic cooperation in setting up a mechanism that will promote trade and hasten investment flow.

Trade and Industry Secretary Rizalino Navarro, representing the Philippines, and Vice Governor Qu Guangyuan [name as published], representing Guangdong province, signed the memorandum which contained the areas of mutual cooperation.

These areas include the setting up of a mechanism composed of local businessmen from the Philippine Chamber of Commerce and Industry and Chinese businessmen from Guangdong that will lay down the grounds for improved trade relations.

Another is the holding of a trade exhibition in Guangdong province of Philippine products by the Department of Trade and Industry. The Department of Agriculture will also send a study group to Guangdong to explore possible joint endeavors in fishery and aquatic products processing.

Earlier, Guangyuan led a trade delegation here for initial discussions on areas for possible trade expansion between the two countries.

De Villa: Holiday Truce With Communists Holds

BK0501091794 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 5 Jan 94

[Text] Defense Secretary Renato De Villa has reported that there has been no violation on the extended holiday cease-fire between government forces and communist rebels.

The suspension of military offensives against the communists is the longest the government has made so far.

Meanwhile, De Villa said that it is still uncertain whether the planned peace talks in Vietnam with the National Democratic Front will push through this month.

[Begin De Villa recording in progress, in English] ...we have a cease-fire with the Moro National Liberation Front. We are informally [pause] we are conducting this in accordance with the written agreement that have been agreed upon by the two cease-fire committees on both sides. [end recording]

Roundup of Rebel Activities 25-31 Dec

BK0501090694

[Editorial Report] The following is a roundup of reports on Philippine rebel activities monitored from Philippine media by Bangkok Bureau between 25 and 31 December. Source information is given in parentheses at the end of each item.

25 December

No fileworthy items monitored.

26 December

Military authorities captured a rebel training camp believed to be the main base camp of the Communist Party of the Philippines-New People's Army Front Committee I of the Negros Island Regional Party Committee. They also captured nine rebels and a platoon leader identified as Comrade Jing. (Manila PHILIPPINE DAILY INQUIRER p 10)

27-28 December

No fileworthy items monitored.

29 December

Ten members of a commando unit belonging to the Far North Luzon and Apayao Front Committees of the New People's Army—linked by the military to terrorist attacks in the Cagayan Valley—surrendered to officials of the Philippine National Police Region 2. (Manila PHILIPPINE DAILY INQUIRER p 22)

30-31 December

No fileworthy items monitored.

'Kidnapped' American Freed in Davao

BK0501104894 Hong Kong AFP in English 1042 GMT 5 Jan 94

[Text] Davao, Philippines, Jan 5 (AFP)—A missing American man turned up Wednesday in this southern city eight days after he mysteriously vanished, saying he had been kidnapped and robbed by gunmen, police said.

Scott Monroe Nelson, 55, telephoned a local newspaper from the nearby town of Tagum to announce that he had just been freed unharmed by unidentified men who snatched him in Davao on December 28 and freed him early Wednesday. He later arrived with Tagum police at the regional police headquarters in Davao, located about 950 kilometers (600 miles) south of Manila, to pay a call on officials who had been stumped by his disappearance.

The Houston, Texas native told police that two gunmen forced him into a car in Davao on December 28 and transported him blindfolded outside the city. He said they stripped him of 2,200 dollars in travellers cheques, 200 dollars in cash and two gold rings and kept him in a windowless room until his release.

Police had expressed skepticism over the case when a woman claiming to be Nelson's girlfriend reported he had been kidnapped, but could not pinpoint the place where it happened. She also claimed Nelson had been snatched on orders of his estranged Filipina wife, who lived in another city.

"We are still investigating," police superintendent Filipino Amogis said.

Thailand

Wimon Warns Against Provoking Military

BK0301150594 Bangkok THAI RAT in Thai 3 Jan 94 p 3

[Interview with Army Commander General Wimon Wongwanit by THAI RAT political correspondent; place, date not given]

[Text] [THAI RAT] Will you leave your post as Army commander when the October 1994 military reshuffle is made?

[Wimon] You have to ask my superior, not me, because he can tell you what will happen in the reshuffle. I will not tell you what I have in my mind. No matter who becomes the new commander, he will do what I have been doing, and even better. I believe that the younger generations must be better than the old. I can prove this statement. In ancient times, people lived in caves. Now people live in houses. If the younger generations were not better than their elders, people would probably be living in holes in the ground. Personally speaking, I do not agree with one person holding two positions.

[THAI RAT] You have always stressed mutual affection and solidarity, but many people are still suspicious of soldiers. What type of image do you want soldiers to have?

[Wimon] I believe in the old saying: "Distance tests a horse's strength; time proves a man's heart." I have been doing my best, and those who distrust me will one day understand. We cannot force others to agree with us, because we have a democratic system. Everyone has his own views. Anyone with a fair and unbiased mind can tell whether I have done right or wrong. I have the answer for myself and my subordinates because what I have done is based on my own judgment. I am not disturbed by what other people think about me. But I am hurt when someone criticizes my institution instead of me. That is unfair, because the military institution belongs to the people of the whole Kingdom. Everyone wants it to be strong so it can defend our national independence and sovereignty. I welcome suggestions and criticisms regarding my performance. I will not hesitate, however, to counter any unconstructive criticisms that are aimed at sowing discord within the institution. I feel it is my responsibility. I must do my best.

[THAI RAT] You used to say that if the military is hit too hard, the soldiers might not be able to tolerate it.

[Wimon] I have not said this. I can tolerate it. But if others cannot, violence can occur. By violence, I do not mean that I will bring the soldiers out to do this or that. Violence can take the form of lawsuits. If those who have been hurt do not feel that they have been given justice, however, they may resort to other means of violence, such as dark influences, physical assault, or killing. I do not want to see that happen. Misinterpretation has damaged the military. They even say that the military is about to stage a coup. That is untrue. Why should I do that? I do not want power. I do not want to grow bigger than I am now. I graduated from the military academy to build up the Army.

[THAI RAT] You have declared that you will not get involved in politics. How sure are you that your subordinates agree with your firm stand?

[Wimon] I believe that every unit commander believes in democracy. We must admit that everyone loves the country. Every soldier has been taught to love democracy. Elections are not the sole ingredient of a democracy. There are many other factors involved. I can reaffirm that in this new era the soldiers are more democratic than some of the people preaching democracy.

[THAI RAT] How are the current relations between the military and the government?

[Wimon] I say very good, because the soldiers and the government are each doing their duty without interfering in each other's work. We receive and implement the policies the government has presented to National Assembly. The working relations between the government and the military are excellent; no problem at all. The government has never interfered with us. The government gives us their policies and we implement them for the sake of national security. Soldiers always comply with the government's policies. The government does not interfere with the promotion or transfer of sergeants or sub-lieutenants. Politicians find it unnecessary to interfere in these matters. I believe that we must work faithfully and honestly. Wrongdoers must be condemned, while those who do right must be respected. For the survival of our nation, we must not practice favoritism or think only of our personal gain.

[THAI RAT] Many people say that military support for this government is based on your personal relations with the prime minister.

[Wimon] As a matter of fact, it is the duty of the armed forces to support the government. Regardless of who is prime minister, the armed forces must comply with the government's policies. Prime Minister Chuan is doing his duty. He is a clean and honest man. I am also doing my duty. If what I have done brings stability to the government, then it is right. This is the duty of soldiers

under a democratic system. I would do the same regardless of who heads the government.

[THAI RAT] How is the Army's image since the May incident?

[Wimon] As Army commander, I believe that unity is the foundation of success. If we do not join our mental and physical efforts, there will be no unity in the Army. When I was first appointed Army commander, I announced my top priority was to consolidate my subordinates so that they could make joint efforts to serve the country. At this stage, I am very proud to say that affection and unity prevails in the Army beyond my expectations. The second task is to instill among Army personnel the consciousness of serving the country and people at all costs. I am proud of being Army commander and of the sincerity and affection I have received. My success in the performance of my duty must be evaluated by the general public and mass media.

Prime Minister To Visit Cambodia 12-14 Jan

BK0501084494 Bangkok Radio Thailand Network in English 0000 GMT 5 Jan 94

[Text] Prime Minister Chuan Likphai will visit Cambodia next week to strengthen bilateral relations between Thailand and the Royal Government of Cambodia. The three-day visit, scheduled for 12-14 January, will be the first visit to that country by the prime minister.

Government Spokesman Aphisit Wetchachiwa says that Thailand has played a vital role in the reconstruction of Cambodia. The government has provided economic assistance to Thai business people who earlier concluded agreements with various Cambodian factions. Mr. Aphisit says that the ongoing fighting between the elected Cambodian Government and the Khmer Rouge will not affect the visit to Cambodia by Prime Minister Chuan. However, he says, among the neighboring countries of Cambodia, Thailand will be most affected by the fighting. He reaffirms that Thailand has always complied with the United Nations resolutions on Cambodia.

Phaithun To Succeed Chawalit as Labor Minister

BK0501004794 Bangkok BANGKOK POST in English 5 Jan 94 p 1

[Text] Deputy labour and Social Welfare Minister Phaithun Kaothong yesterday was handpicked by New Aspiration Party [NAP] leader Chawalit Yongchaiyut to succeed him as minister.

Mr Phaithun told a press conference that he would continue another 100-day operation plan, earlier proposed by Gen Chawalit, to speed up administration at the ministry.

Gen Chawalit yesterday asked permission from the party executive committee to appoint Mr Phaithun to succeed him at the Labour and Social Welfare Ministry. He also

received permission to appoint or transfer party ministers before informing the executive committee.

"In any case, I can talk to the Premier to transfer NAP ministers without the advance permission of the executive committee," said the NAP leader.

Gen Chawalit also told the press conference that the NAP would cooperate with other coalition parties to improve the efficiency of the government.

Paper Cautions on Financial Liberalization Haste

BK0501094994 Bangkok SIAM RAT in Thai 5 Jan 94 p 3

[Editorial: "Do Not Rush Into Financial Liberalization"]

[Excerpts] [passage omitted] We take this opportunity to express a view in the interest of the country. That is, in accordance with the GATT accord Thailand can no longer keep its financial sector closed. However, we must be very careful not to rush to liberalize our financial sector, especially as result of the insistence of a superpower, because this could amount to liquidating our own financial institutions.

It is not difficult to see that the Newly Industrialized Countries [NIC's]—Taiwan, Hong Kong, South Korea, and Singapore—and countries rapidly advancing toward the NIC status, and this include Thailand, Malaysia and Indonesia, are priority targets of economic superpowers who want to establish commercial banks and other forms of financial institutions in order to rake off profits. They accomplish this by virtue of their greater experiences in that sector.

Believe it or not, if the 17-19 January visit of U.S. Secretary of Treasury Lloyd Bentsen succeeds in the immediate liberalization of the Thai financial sector, Thai commercial banks and financial institutions could collapse or have their growth throttled. The superpowers' capital and global experience are that great.

We suggest the delay of our financial liberalization for as long as possible. The GATT accord is not be enforceable until 1995. In particular, we must not succumb to U.S. demands. The United States itself stated at the signing of the agreement with the EEC that its own financial liberalization would not occur until eight months later. Even as the date for the enforcement of the GATT accord nears, the superpowers will try their best to protect their interests. [passage omitted]

Vietnam

Foreign Minister on 1993 Accomplishments

BK0301141194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 2 Jan 94

[Interview with Foreign Minister Nguyen Manh Cam by unidentified correspondent; from the 1 January NHAN DAN—place, date not given]

[Text] [Correspondent] Dear Comrade Foreign Minister: Last year we made remarkable achievements in our diplomatic activities. Could you please elaborate on some of them?

[Nguyen Manh Cam] Last year, we made great achievements in our nation's diplomatic activities. We have entered a new stage of development in our relations with neighboring Southeast Asian nations, thus opening up a new era of cooperation with these countries on a larger scale, especially in the trade and economic domains. The most important event was party General Secretary Do Muoi's official visit to Singapore and Thailand. On this occasion, Vietnam declared a four-point policy toward the region, asserting Vietnam's firm policy of strengthening its multifaceted relations with each and every ASEAN member. Vietnam also stressed its willingness to join ASEAN at an appropriate date. ASEAN members have become our trading partners. As of mid-1993, investment in Vietnam by ASEAN members had reached \$483.4 million, while their trade with Vietnam was valued at \$1.8 billion in 1992.

As for the People's Republic of China, Vietnam highly treasures its relations with this country. It has consistently consolidated its friendship and strengthened bilateral cooperation with China to resolve all outstanding problems step by step through peaceful negotiations. In this context, in October 1993 both sides signed an agreement on fundamental principles for resolving the issue of land and sea borders between the two countries, especially the land border and areas in the Gulf of Tonkin. Both sides agreed to continue talks on issues related to the sea in order to reach a fundamental and long-lasting solution. This is in the interests of the two peoples and of regional peace, stability, and cooperation. President Le Duc Anh's friendly official visit to China last November was a new step in accelerating and developing relations between the two countries.

With Prime Minister's Vo Van Kiet official visit to Japan, the Republic of Korea, Australia, and New Zealand, we completed the process of establishing and normalizing relations with all the countries from Northeast Asia to the South Pacific region. This creates favorable conditions for Vietnam to solicit capital and technology from these countries and promote trade and economic relations. Japan has become Vietnam's top trading partner. The country increased its development aid to Vietnam from \$360 million during the 1992-93 fiscal year to more than \$550 million in 1993-94.

Relations between Vietnam and the EC, the world's foremost politico-economic center, have developed remarkably. The European countries have highly appraised Vietnam's achievements in renovation and foreign policy. They attach importance to Vietnam's position in Southeast Asia and the Asia-Pacific region. As a result, they have reached agreements with Vietnam to carry out long-term cooperation projects and have pledged to continue increasing development aid to

Vietnam. Having signed an agreement on textile production with Vietnam in late 1992, the EC is making preparations to sign an agreement with our country on economic, trade, and scientific-technological cooperation.

Vietnam and Laos exchanged visits by high-level party and state delegations to consolidate and strengthen the traditional friendship and special solidarity between the two peoples as well as to accelerate bilateral cooperation in line with the new situation.

Vietnam's neighborly and friendly relations with Cambodia have been strengthened to a new level. Both sides have agreed to settle bilateral issues step by step through peaceful negotiations and on the basis of respecting each other's independence, sovereignty, territorial integrity, and legitimate interests in line with international law and practices and in accordance with each country's law and customs.

The Cuban people face acute difficulties. Vietnam provided material aid to our Cuban friends and positively supported the Cuban people's struggle against the U.S. embargo. Our party and government delegation's official visit to Cuba in July 1993 was a vivid manifestation of the traditional relations and solidarity between the two peoples.

A prominent result of last year's activities was the normalization of our relations with international financial and monetary organizations. On that basis, the IMF, the World Bank, and the Asian Development Bank agreed to lend us more than \$700 million in 1993, and promised bigger loans in the coming years to improve, upgrade, and construct Vietnam's infrastructure. The first international conference to provide financial assistance to Vietnam convened in Paris in November 1993, with the participation of 22 countries and 17 international organizations. They agreed to provide us \$1.86 billion in grant aid and concessional loans during the 1993-1994 financial year. Recently, sympathetic to our difficulties, the members of the Paris credit club decided to reduce 50 percent of our debt, extend our loan repayment period, and reduce the interest rates on the remaining loans. These things testify to a clear change in the world community's attitude toward Vietnam, a country that is enjoying success in its renovation policy and foreign policy of openness and is moving ahead with promising steps.

[Correspondent] Vietnamese-U.S. relations have not been completely normalized. There have been some significant changes, however. Could you evaluate the progress and its effects?

[Nguyen Manh Cam] America is the only big and developed country that has not normalized relations with Vietnam. It still maintains a trade embargo against Vietnam. The development of Vietnam's relations with regional nations, developed countries, and major politico-economic centers, however, clearly shows that the U.S. trade embargo runs counter to the common trend.

Nevertheless, there was certain progress in the normalization process last year. Many meetings were held at different levels to exchange views on issues of mutual concern and accelerate normalization, especially the meetings between Deputy Prime Minister Pham Van Khai and American politicians, including high-level American officials in Washington; and the meeting between our foreign minister and the U.S. secretary of state in Singapore.

The normalization of Vietnam's relations with international financial and monetary organizations was effected by U.S. President Bill Clinton's 2 July statement ending opposition to other countries providing loans to Vietnam for the repayment of its debt to IMF, and the 13 September statement and 23 December decision by the U.S. Treasury allowing American companies to participate in projects carried out in Vietnam by international financial and monetary organizations. These moves also helped encourage other countries to develop relations with Vietnam.

[Correspondent] Do you have any comments and predictions regarding our foreign affairs activities in 1994?

[Nguyen Manh Cam] In 1993, our active, vivid, and diversified foreign affairs activities were carried out with a positive and active spirit and with the participation of all echelons and levels of the party, government, National Assembly, and mass organizations. These activities achieved important results and improved Vietnam's reputation and position in the international community. This creates an environment of peace and stability and favorable international conditions for Vietnam to attract more foreign capital and technology for our economic development and national construction and protection. This is also the foundation for the implementation of our foreign affairs duties, including foreign economic affairs, in 1994 and subsequent years.

Our important victory in foreign affairs confirms the correctness of the line set forth by the Seventh National Party Congress, concretized by the Third Plenum Resolution of the Seventh Party Central Committee in June 1992. From this line and from the vivid activities in past years, especially 1993, a prominent feature of Vietnam's new diplomatic policy has been formed. This is the policy of treasuring harmonious and friendly relations for mutual benefit with neighboring and regional countries. This is also the policy of diversifying multilateral relations with all nations in the world community. This harmonious combination is a special feature of Vietnamese diplomacy in the renovation era that meets the rapid and complicated changes in the world situation and regional political and economic forces. This diplomatic policy is also suitable to the common trend in the world following the Cold War era.

In the new international environment, our open-door foreign policy is integrating our country with the world community on the basis of our chosen path and on the

principles of independence, sovereignty, international unity, and preservation of national characteristics and interests.

Commentary Reviews Human Rights Achievements

*BK0401133094 Hanoi Voice of Vietnam in English
1000 GMT 4 Jan 94*

[Station commentary]

[Text] Prominent and obvious achievements obtained by Vietnam in 1993 were recognized by the world. In addition, it is an undeniable fact that human rights have been ensured and improved. For the Vietnamese people, the rights to live in independence and freedom are the biggest, a lesson drawn from the country's reality over the past half century. However, all the Vietnamese people are fully aware that independence and freedom will have no significance if they live in poverty, ignorance, and a minimally developed society.

An independent and free country should closely links with ideas of prosperous people and a mighty nation [sentence as heard]. That is why the renovation process has been fully responded by the people. The people's rights to live, first of all, is the right to do business. It is safe to say that never before the Vietnamese people are doing business as dynamically as today. They have engaged in diversified jobs in different branches. Life of the people in different quarters is better. However, a part of the people still lead a difficult life for they cannot adapt to the mechanism of market economy. To be fair, the people's rights to do business have been strongly assisted by a number of state encouraged policies. Democracy has worked in many fields and it showed that human rights have been respected.

National Assembly deputies and relevant government officials have been directly and frankly questioned about the standstill and negative practices in their branches or ministries. The Minister of Education and Training openly talked with students about issues of their concern. Mass media has disclosed cases of corruption and smuggling in different ministries and branches, including senior officials and so forth. Perhaps never before the Vietnamese people have followed closely the mass media as today, because they not only need information but also want to know the implementation of human rights and the national renovation process.

Last year, the Vietnamese state continued to issue policies and guidelines in order to substantially ensuring the citizen's rights. Now, the number of Vietnamese people going to foreign countries as tourists is on the increase. They not only go to regional countries but also to far away countries such as Hong Kong, Taiwan, South Korea, U.S.A., Canada, and Australia where in the past were considered forbidden land.

An ordinance on the marriage of Vietnamese citizens with foreigners has been issued. Freedom of belief has

been written in the Constitution. It is complemented by many concrete resolutions. Worthy of note was the movement on eradicating hunger and eliminating poverty which has been largely deployed in the whole country. Many efforts have been made to help poor farmers develop production and to assist supportless aged people, war invalids, disable people, and orphans.

However, the Vietnamese state acknowledged that it does not complete the task in fully implementing its policies for the people. There remain many social evils, even serious ones. But it can be affirmed that the Vietnamese state has strived to remove difficulties for every people, every family, and increase their joy and confidence. That is why the people share the same view to build and establish a democratic society because it ensures human rights.

Hanoi Reviews Relations With China in 1993

*BK0401043594 Hanoi Voice of Vietnam in English
1000 GMT 3 Jan 94*

[Text] Looking back to 1993, Vietnam and China are very happy to see that their traditional friendship and cooperation have developed in the new situation. Relations between the two countries have been based on the principles of respect for each other's sovereignty and territorial integrity, nonviolation and noninterference in each other's internal affairs for mutual equality and peaceful coexistence.

Progresses have been achieved in many fields since the normalization of relations between Vietnam and China. High-level meetings and exchanges of delegations from different branches and levels were organized. The official visit to China of Vietnamese President Le Duc Anh in last November marks a new step in the neighborly friendship relations and cooperation between the two countries. This visit was of great significance in strengthening the mutual understanding and reliability as well as in consolidating the time-honored Sino-Vietnamese friendship and cooperation.

Up until now, 50 agreements have been signed in order to resume and step by step develop economy, commerce, science and technology, culture, education, aviation, maritime, and post.

Basing on the Sino-Vietnamese joint communiques in November 1991 and December 1992, the two sides held negotiations at experts and state-levels. It was worthy of note that in October last, the two countries signed an agreement on main principles for the settlement of territorial issue, to accelerate negotiations for the early conclusion of basic treaties on territorial border, on land, and sea between the two countries.

Deputy Prime Minister Tran Duc Luong held that the signing of this agreement was an ensuring step in solving the border issue between the two countries and in contributing to promoting the friendship relations and

cooperation between the two countries in the interest of the two peoples as well as of peace, stability, and cooperation in the region.

For his part, Chinese Deputy Foreign Minister (Hang Jiazuan) noted that this was an important step creating conditions for the settlement of pending territorial border between Vietnam and China and for the further development of bilateral relations.

Reality has shown that the two peoples of Vietnam and China want to build the Sino-Vietnamese border into one of peace, stability, and friendship. Now the two countries are implementing the already signed agreement. China promised to help Vietnam build a factory to produce chemical fertilizer and small and medium-size hydroelectric power plants. In trading, China wanted to buy Vietnam's coal, crude oil, rubber, and sea products and to export to Vietnam its equipment and other commodity goods.

Vietnam and China have carried out an agreement on aviation and promoted an agreement on investment protection.

Though relations between the two countries have been restored and developed, thus bringing about the benefit for both sides and contributing to peace, stability and cooperation in the region, the two countries recognized that some agreements have been carried out very slowly. Vietnam and China understood that economic and trade relations between the two countries have not yet been developed according to each other's potentials as well as their peoples' will.

Both Vietnamese and Chinese peoples want to further promote stable, long-term, and effective friendship and cooperation and good neighborliness.

Over the past years, the two sides also saw those issues left behind by history and newly-appeared issues must be settled by peaceful means. The two sides agreed neither to use force nor threaten to use force or any actions to make the situation more complicated.

Peoples of both China and Vietnam hope that with their time-honored traditional friendship and cooperation and the developments in the past year, the Sino-Vietnamese relations will further be upgraded effectively in many fields.

Radio Reviews 'Breakthrough' Ties With EC

*BK0501142594 Hanoi Voice of Vietnam in English
1000 GMT 5 Jan 94*

[Station commentary]

[Text] Nineteen Ninety Three marked a breakthrough in the cooperation between Vietnam and the European Community. Here is our comment on the issue:

The most important event in the Vietnamese-European Community is the official visit by Vietnamese Prime

Minister Vo Van Kiet to some EC countries in early July 1993, since the two sides had established diplomatic relations in October 1990. On this occasion, the Vietnamese prime minister had talks with Chairman Jacques Delors, and two vice chairmen of the EC. The two sides agreed to promote bilateral relations to a new stage. The EC chairman was interested in the socioeconomic situation in Vietnam and its diplomatic policy which help improve relations among nations in the regions and held that Vietnam has followed a correct political policy.

Chairman Jacques Delors committed to create favorable conditions for Vietnam to broaden its relations with the EC member countries. For their part, the EC member countries also promised to encourage their group to do business with Vietnam. The two vice chairmen also held that the visit by Prime Minister Vo Van Kiet was on time and believed that the Vietnam-EC relation will be further developed in the future.

Before 1990, the EC had provided Vietnam with necessary aid worth of \$110 million, (mainly with flour). In 1992, Vietnam and the EC signed a contract to manufacture 106 items of textile products. The contract had been implemented since early 1993. However, due to the lack of technical equipment, Vietnam was able to hand over to the EC 54 items of goods.

The two-way trade between Vietnam and the EC was estimated at \$530 million, but Vietnam's export was only \$224 million. The EC also funded Vietnam's program to integrate those who left the country illegally. However, the aid provided for Vietnam by EC is still limited, and did not respond to the expectations of both sides.

For this very reason, at 19 November session, the EC Parliament adopted a resolution on the EC participation in the international program on the repatriation of the Vietnamese refugees. The resolution appreciated the results of the program which was manifested by the increasing number of voluntary repatriates from 1988 to 1992. The resolution called on the EC committee to take appropriate measures to complete the program on time, and called on its member countries to fulfill their commitments. The resolution held that the program result can only be sustainable with the help for Vietnam to promote socioeconomic situation. Vietnam needs to have (multiple) aid granted by EC for developing countries. The resolution called on the EC committee to carry out a large scale cooperation program with Vietnam. The resolution also advocated further talks for the signing of a framework agreement on economic and trade agreement with Vietnam in this year, [words indistinct] of the representation of Vietnam, following the signing the agreement.

These activities are in conformity with the statement by EC Chairman Jacques Delors at the first meeting with Prime Minister Vo Van Kiet, that let's start a new stage for the future.

Direct Shipping Link With U.S. Given Approval

*BK0501141494 Hanoi Voice of Vietnam in English
1000 GMT 5 Jan 94*

[Text] Vietnam Transport Ministry and shipping authorities have approved preparatory work for setting up a direct shipping link between Vietnam and the United States. The new merchant shipping lines, the Vietrans Chart Lines, will be a joint venture between Vietnam Ship Leasing and Transport Company (?Vietrans Chart) based in Ho Chi Minh City, and the U.S. firm (?Tran-tavico). If Washington agreed, the line would be allowed to use U.S. shipping ports, from which Vietnamese ships are currently banned under the U.S. trade embargo.

Official Discusses Thai Use of Mekong

*BK0401143994 Hanoi VNA in English 1435 GMT
4 Jan 94*

[Text] Hanoi VNA Jan. 4—Mr. Pham Sy Ky, vice minister of water resources and permanent vice chairman of the Vietnam National Mekong Committee, has granted an interview to VIETNAM NEWS AGENCY on the occasion of the first anniversary of the signing of the joint communique on the Mekong cooperation and in anticipation of a meeting of the group for compiling an agreement on Mekong cooperation to be held in Vientiane, Laos.

Asked about the activities of the Mekong Working Group which was established in accordance with the joint communique, Mr Pham Sy Ky said:

"The four countries of Cambodia, Laos, Thailand and Vietnam signed a joint communique on Mekong cooperation on Feb. 5, 1996 [date as received] in Hanoi. In this communique, they committed to continue cooperation in exploitation of the Mekong River and establish a Mekong Working Group with the task of drafting a framework agreement for the future Mekong cooperation. [passage omitted]

On the outstanding problems, Mr Ky said:

"The most important one is on the equitable and reasonable utilization in detail of water in the main stream of the Mekong River during dry season. Though four countries have agreed in principle the equitable and reasonable utilization of water, but have not yet agreed on detailed stipulations for that issue.

"With a view to respecting the legitimate right of the countries in the basin, taking into consideration of the needs of each country and with cooperative goodwill in utilization of water in the Mekong River, Cambodia, Laos and Vietnam have flexibly applied international laws and good experiences from some international river, i.e. the utilization of water in the mainstream of Mekong River during dry season shall be subject to prior consultation in the committee aiming at arriving an agreement before any proposed use by any riparians. However, Thailand has not yet agreed to the principle of

prior consultation for agreement before using water. Hopefully, with goodwill for cooperation the deadlock will be overcome at the forthcoming meetings and the agreement on Mekong cooperation will be concluded."

Asked about some Thai newspaper reports saying that Thailand is preparing a plan to divert water from the Mekong River to the Chao Phraya River basin, Mr. Ky said: "THE NATION newspaper of Thailand issued on 3 January 1993 carried out an article citing the words of the minister of Prime Minister's Office of Thailand on the diversion of Mekong water to the Chao Phraya River basin. Nevertheless, the Vietnam National Mekong Committee is not yet informed by the Thai side. We think that with goodwill for cooperation if Thailand plans to build some structures to take water from the Mekong mainstream, especially in the dry season, Thailand should inform, consult with other countries in the lower Mekong basin in order to assess the impact of its move to other countries, and cooperate with the latter to find out measures to solve problems if any with a view to arriving at unanimity among the riparian countries before construction. The consultation should begin at the stage of feasibility study. Such consultations are very important for the Mekong cooperation, regional cooperation and construction of mutual trust."

Vietnam, upholding its respect for interests of other countries and with its goodwill for cooperation, is ready to discuss with other countries in the Mekong basin to find satisfactory measures for the reasonable use of the river water in order to meet the need of each country. We are sure that the international community interested in the Mekong programme will support such useful discussions, especially in the increasingly improved situation in the region, Mr Ky said in conclusion.

Chief of Staff Writes Article on Army Tasks

BK0501145594 Hanoi QUAN DOI NHAN DAN in Vietnamese 20 Dec 93 pp 1, 2

[Article by Senior Lieutenant General Dao Dinh Luyen, member of the Communist Party of Vietnam Central Committee and chief of the Vietnam People's Army General Staff: "Take a New Step To Build a Revolutionary, Regular, Seasoned, and Modern Army Step by Step To Meet the Requirements of the Cause of National Defense and Construction"]

[Text] To date, our Army has gone through nearly half a century of building, combat, and development. Throughout the course of its heroic birth and growth, our Army has proven itself worthy of being called a revolutionary army. It has always remained loyal to the party-initiated undertaking and the interests of the masses and has won the people's trust, assistance, and loving care. Now, as we enter the stage of building and defending the socialist fatherland, our Army has to undertake a new and very heavy task; namely, building, consolidating, and enhancing our combat strength while simultaneously participating in production to contribute toward

firmly maintaining political stability and promoting socioeconomic development.

With a thorough understanding to the Seventh Party Congress Resolution and the party Central Committee Third Plenum Resolution on national defense and security in the new situation, our entire Army has made serious and very great efforts to apply these resolutions to life. As a result, we have achieved initial but very important results and made marked and steady progress toward building our military organization into a revolutionary, regular, seasoned, and modern army step by step.

Since the conclusion of the Seventh Party Congress, the international and regional situations have developed very quickly and have become complicated. They have had a very great impact on our people's task of building and defending the socialist fatherland. These days, our country enjoys peace and stability. The renovation undertaking has brought about important achievements and opened up great prospects. The factors of instability, however, have not yet been eliminated. Through the "peaceful evolution" strategy, hostile forces abroad are collaborating with reactionary elements at home to carry out their dark scheme, aimed at abolishing the Socialist Republic of Vietnam. They have directed their offensive spearhead against us on all fronts, especially on the politico-ideological front, in a bid to sow disunity between the Army and people, depoliticize the Army, and neutralize party leadership over the Army. That situation requires our entire party, people, and Army to heighten their vigilance, strengthen national defense capabilities, and consolidate the people's armed forces in order to stand ready to cope with every eventuality and firmly defend our national independence, revolutionary gains, and socialist regime.

Over the past three years, thanks to our party's correct renovation policy and our people's efforts, we have made comprehensive achievements in the national renovation undertaking. We have overcome the socioeconomic crisis to a very great extent. Our annual economic growth rate has increased considerably and steadily. Broad sections of the population have had their standard of living improved. Those socioeconomic achievements have created the conditions for strengthening our national defense capabilities, ensuring political stability, and consolidating the people's confidence in party leadership and their determination to pursue the socialist path chosen by President Ho Chi Minh.

Along with the common efforts of our entire party and people, our Army has made a worthy contribution to building and defending the socialist fatherland, especially in the task of consolidating our national defense and security capabilities. Over the past three years, by fully understanding the party's policies and resolutions as well as the new revolutionary tasks, our Army has continued to build and consolidate its strength in all fields in order to enhance its revolutionary nature and

combat strength and stand ready to defend the fatherland in the new situation. Due attention has been paid to the top priority task of providing politico-ideological education to cadres and combatants in order to enhance their political background. First of all, we have improved both the form and content of the educational campaign to promote everyone's awareness of the good nature and fine traditions of our Army. As a result, our young cadres and combatants these days not only take pride in their fathers and elder brothers, but also firmly maintain and develop these fine traditions. Due importance has been attached to our efforts to enhance the political awareness of cadres, especially key cadres. Learning activities have already been organized in the framework of the Political General Department's curriculum. Constant efforts have been made to keep everyone abreast of the revolutionary situation and the Army's tasks, especially to make everyone fully aware of the need to heighten vigilance against the enemy's dark schemes and maneuvers. Besides politico-ideological education, we have taken uniform steps to build and revamp the party, consolidate and enhance the quality of cadres, and renovate the forms and contents of the political indoctrination program in our Army. As a result, we have strengthened the leadership role and militancy of grassroots party organizations and created conditions for a strict application of the principle of absolute party leadership over all aspects of Army-related activities.

Thanks to the satisfactory measures mentioned above to carry out politico-ideological education and strengthen the party's leadership over the Army, our cadres and combatants have remained steadfast in the face of the enemy's psychological warfare maneuvers and the difficulties, challenges, and major changes in the international situation. They have constantly believed in party leadership, firmly maintained their combat determination and goals, and always proven themselves worthy of being called a reliable and loyal force of the party and people.

As for the goal to revamp the militancy of the armed forces in order to meet new requirements arising from the task of defending the socialist fatherland, our entire Army has, over the past three years, done many things of very fundamental and important importance for further development. With the motto of building an armed force of appropriate personnel strength and of high quality, we have continued to reduce the personnel strength of our regular force, consolidate and rearrange various units, readjust the personnel strength of our armed services and combat branches, and achieve a balance between our main force and our local force to suit our strategic disposition on a national scale and in each sensitive areas and to meet the demand for ensuring sufficient on-site combat force for various defense areas and a mobile combat force capable of coping with all the situations that may arise in any areas in the country. Troop training has been affirmed as a central task. Since 1989, our entire army has continued to renovate the contents and organizational methods of training with the

motto of providing basic training in a realistic and steady fashion and with the concepts that training must be practical to combat, that lessons of experience obtained from the past two wars of resistance must be applied in troop training, that training must be conducted in such a way as to develop democratic principles and to promote a sense of voluntarism and creativity among trainees, and that close combination must be achieved between training and indoctrination and between theory and practice. Our entire Army has applied these mottos and concepts scrupulously and creatively. As a result, the quality of troop training has further developed in an increasingly steady fashion. In particular, over the past three years, we have paid attention to training troops in our Army's traditional tactics, such as the tactic of using a small force to defeat a larger enemy and the tactic of using rudimentary means to triumph over an enemy with sophisticated equipment. Therefore, in training, our efforts have been directed at attaining the goal of ensuring good combat skills for every soldier and every detachment. Soldiers must be well-trained in detachment-level combat and in coordinated combat involving various armed services and combat branches. In order to evaluate its training quality, combat effectiveness, and combat readiness, our entire Army has, over the past three years, conducted many military drills involving units of various sizes, from the detachment to divisional levels. With these military drills, the Army has further improved the organizational and leadership skills of its cadres and has enabled cadres to familiarize themselves with "combat." Also through training, we have drawn on many good lessons of experiences, including experience on our residual shortcomings, in order to ensure better training for troops. The results obtained in troop training and indoctrination have helped consolidate the determination and confidence of cadres and combatants in their bid to fulfill their task of defending national independence and sovereignty and the territorial integrity of the fatherland.

Along with renovating our training, we have also vigorously deployed our research on science, technology, and military arts. We have initially resolved a number of problems arising in combat and decided on the course for ensuring adequate equipment for troops.

In combat, we have concentrated on summing up lessons of experience obtained in the two past wars of resistance. On this basis, we have been able to deploy and develop our activities to suit the existing principles of our people's warfare and our national defense. We have made appropriate investment in the research and perfection of the methods of fighting in defense areas for all the three categories of troops. We have also stressed studying and getting to know the enemy. Therefore, information on the enemy, including his equipment and weapons, military doctrine, and combat tactics, has been promptly exploited to serve our research activities. This has created a basis for us to map out our counterpolicies and countermeasures.

Ensuring equipment for troops to meet existing and long-term requirements is a new and difficult issue for our Army. Proceeding from studying our realistic capabilities to learning the experience obtained by countries with situations similar to ours, we have basically been able to come up with appropriate policies and lines. As an immediate task, we must concentrate our efforts on preserving and maintaining satisfactorily our existing equipment. As for obsolete and degraded equipment, we must study ways to exploit to the fullest whatever is left. Meanwhile, we must study the possibility of modernizing various kinds of weapons and equipment to suit our combat tactics. In the long run, we have been and are building a national defense industry to manufacture the most essential equipment and weapons for our troops. All these policies have been implemented by our entire Army with great efforts and encouraging results have been achieved. The scientific and technical cadres in the Army have made worthy contributions and successfully carried out many valuable scientific and technical projects.

Although building a regular army is a goal that has been followed for many years now, the Standing Committee of the Communist Party of Vietnam Central Committee Military Commission recently issued a directive urging our entire Army to further step up this move aimed at effecting an important change for the better in the direction of military standardization. All elements of the Army, ranging from agencies to units, have concentrated on providing leadership and guidance to troops and come up with substantive measures. Therefore, positive changes for the better have been initially noted in both the thoughts and actions of our cadres and combatants. Efforts to ensure logistics for support of standardization have been intensified and as has the budget earmarked for this. Therefore, all the systems governing room and board and dress code for troops have been improved. In particular, efforts to ensure unified specifications for military uniforms such as color, design, and quality have shown remarkable improvements. Troop management has also been given constant attention by various echelons. Therefore, changes for the better have been noted in the maintenance of various systems of daily routine, official work, and observance of military ceremonies and bearing. The number of troops violating military discipline or deserting their units has dropped sharply.

The Army's achievements scored in the past three years after the meeting of the seventh national party congress in military building, training, and combat readiness have proved the great efforts exerted by our cadres and soldiers. These achievements are very fundamental and they are creating a firm foundation for subsequent development steps, despite some remaining problems and shortcomings in our new requirements and duties.

In few week's time, our Army will observe its 50th anniversary, the age of many past challenges and experiences. We are confidently building an Army that

deserves the party and people's expectation from an Uncle Ho Army of the people, by the people, and for the people.

To meet that expectation, in the coming years, we have to make more fundamental improvements to fulfill our both current and future requirements and duties and to change our revolutionary army to a regular, efficient, and modern army for the protection of national independence, sovereignty, and integrity and for our goal of making people prosperous, nation powerful, and society civilized. The most important thing is the education on politics, ideology, national tradition and patriotism, and army tradition to make our cadres and soldiers resolute in their ideology and fighting spirit and vigilant at enemy conspiracies and tricks when they try to neutralize the politicalization of our Army before invalidating our armed forces. The party leadership over the Army must be further strengthened to ensure that, in any situation, the armed forces are absolutely reliable and loyal to the party and national interests. The Army must increase its socioeconomic activities and mass mobilization work to improve its public relations, unite with the people, and preserve its nature as an army of the people and one who fights for the people.

The improvement of our Army's capacity for fighting is an urgent issue. Therefore, it is necessary to concentrate all our efforts to accomplish these tasks:

1. Further accelerating the military standardization:

We must thoroughly understand the contents and requirements of military standardization. Standardization is not only a formality but also a necessary demand for a revolutionary army to create high unity in conception and action, from military organs to units and from cadres to soldiers for the creation of a combined strength.

Military standardization is a long-term undertaking. But in 1994, we must strive to standardize the practice in military training, combat readiness, and personnel and equipment management. Especially, we must establish working regulations for each military position. We must introduce uniforms for the entire Army, creating a new image worthy of the honor and pride of an heroic army. Together with fine uniforms, we have to train the troops in military protocol, proper behavior for soldiers, and working relations according to Army regulations.

2. Further improve military training:

All units must understand that military training is a regular and permanent task in peace time. In the past three years, due to the reform of the training programs, methods, and organization, we have achieved relatively complete results with useful experiences. On that basis, we need to bring the technological and tactical skills to a higher level.

We must continue to provide soldiers with fundamental, practical, and sound training suitable to the particular

duties of each unit. For the main force, we must train soldiers to fight with assigned weapons by themselves and together with other Army branches and forces. For the local and militia forces, we must train them to fight in small units and attack the enemy's area, logistic establishments, and storage facilities, how to maintain social order and security, and how to protect the government and people at the grassroots level.

In the training process, the creativity of each cadre and soldier must be developed to make them become more flexible and active in combat. The training must concentrate on current requirements in order to enhance their capacity to deal with all forms of military intervention by enemy forces when they try to provide support to peaceful evolution and violently overthrow activities of reactionary domestic groups.

3. Continuing to build completely strong units according to five requirements set forth by the National Defense Ministry.

Through review, experiences drawn from exemplary units should be widely applied in the remaining units. We have to do our best to eliminate weak units and stop desertion. Experience proves that if there is a close coordination between recruitment units and local authorities in troop management and education and in dealing with deserted soldiers, the desertion problem will be overcome. Better care for spiritual and material life is also very important to help the soldiers feel more attached to their units and to carry out their duties. The building of completely strong units must be linked with efforts to improve party building work and other movements to create great change in each military unit and the entire armed force.

Consequently, the three duties of military standardization, training, and building are closely linked in a chain reaction. Therefore, in the implementation process, all units need to carry out uniform planning for these three duties. They must not look down on any duty, but consider the military standardization a regular and permanent task.

Soon, the Army will celebrate its 50th anniversary. The entire force should launch emulative movements to improve the sense of responsibility in all cadres and soldiers. They should urge each other to do their best in their military achievements to take the Army to new heights to meet the expectations of the party and people in protecting independence, sovereignty, and national integrity and maintaining peace and stability for

national construction and development. Their goals continue to be to make people prosperous, the nation powerful, and society civilized.

Bank Officials: Renovation Achieves Good Results

*BK0301064894 Hanoi VNA in English 0625 GMT
3 Jan 94*

[Text] Hanoi VNA Jan. 3—The renovation of banking in Ho Chi Minh City in the last three years has gained good results, says bank officials at a conference held in the city last Wednesday. The two main banking systems—the State Bank with its management responsibilities and the commercial banks and credit organisations which undertake money transactions, credits and banking services—have improved significantly. The whole network has thus become the most versatile and developed in the whole country.

In 1993 new systems were established—state-run commercial banks, joint-stock commercial banks, financial companies, jewellery companies, foreign-owned and joint venture banks.

Total capital mobilized in the year was estimated at VND [Vietnamese dong] 6,045 billion (USD [U.S. dollars] 60.45 million), a twofold increase from 1991. Also, a foreign exchange centre has been founded to solve the problem of supply and demand in foreign currencies, especially for import and export. Speaking at the conference, State Bank Governor-General Cao Si Kiem approved proposals for the improvement of the jewel business and the strengthening of state management of foreign banks. He also agreed on the need of improving the efficiency of joint-stock commercial banks, giving priority to medium and long-term credit sources, and helping train bank staff to international levels.

Decree Broadens Business Insurance Services

*BK0401073394 Hanoi VNA in English 0610 GMT
4 Jan 94*

[Text] Hanoi VNA Jan. 4—The Vietnamese Government has issued Decree No. 100/CP on broadening the service of business insurance. The decree, the first of its kind so far in Vietnam, took effect on Jan. 1, 1994. According to the decree, state-owned organizations, stock enterprises, joint venture companies, branches of foreign insurance agencies, foreign-invested insurance companies are allowed to be set up and operate in Vietnam, ending the monopoly of the state-run Vietnam Insurance Company (Baoviet) for many years now. The Ministry of Finance shall be responsible for granting and recovering licences for insurance business monitoring the implementation of regulations and supervising financial situation in the licenced insurance establishments. The decree also stipulates that a legal capital of 20 billion VN dong is needed for any Vietnamese insurer or joint venture company, and a legal capital of five million USD for any foreign company's branch or all-foreign-invested company.

Vietsovpetro Oil Production for 1993 Reported

*BK0501115494 Hanoi Voice of Vietnam in English
1000 GMT 5 Jan 94*

[Text] Vietsovpetro pumped up 6.3 million tonnes of crude oil in 1993, bringing to over 21 million tonnes the volume obtained from Bach Ho oil field so far. This represented an increase of 0.8 million tonnes over the previous year. However, the amount was just [word

indistinct] the 6.5 million tonnes projected for the whole year. Last year, 10 more wells were brought into operation, which—together with the effort of the company in applying new technology—helped raise daily output from 16,000 to 20,000 tonnes.

Vietsovpetro sets the target of 6.8 million tonnes for 1994, and plans to produce 60 million tonnes from now to the year 2000.

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